

Government that Works!

NEW JERSEY DEPARTMENT OF THE TREASURY

LOCAL GOVERNMENT BUDGET REVIEW

CITY OF MILLVILLE

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GOVERNMENT THAT WORKS

OPPORTUNITIES FOR CHANGE

The Report of the City of Millville

New Jerseyans deserve the best government their tax dollars can provide. Governor Whitman is committed to making state government leaner, smarter and more responsive by bringing a common sense approach to the way government does business. It means taxpayers should get a dollar's worth of service for every dollar they send to government, whether it goes to Trenton, their local town hall or school board. Government on all levels must stop thinking that money is the solution to their problems and start examining how they spend the money they now have. It is time for government to do something different.

Of major concern is the rising cost of local government. There is no doubt that local government costs and the property taxes that pay for them have been rising steadily over the past decade. Prior to Governor Whitman's taking office in 1994, the state had never worked as closely with towns to examine what is behind those costs. That is why she created the Local Government Budget Review (LGBR) program. Its mission is simple: to help local governments and school boards find savings and efficiencies without compromising the delivery of services to the public.

The LGBR program utilizes an innovative approach combining the expertise of professionals, primarily from the Departments of Treasury, Community Affairs and Education, with team leaders who are experienced local government managers. In effect, it gives local governments a comprehensive management review and consulting service by the state at no cost to them. To find those "cost drivers" in local government, teams review all aspects of local government operation, looking for ways to improve efficiency and reduce costs.

In addition, teams also document those state regulations and mandates which place burdens on local governments without value-added benefits and suggest, on behalf of local officials, which ones should be modified or eliminated. Teams also look for "best practices" and innovative ideas that deserve recognition and that other communities may want to emulate.

Based upon the dramatic success of the program and the number of requests for review services, in July, 1997, Governor Whitman ordered the expansion of the program, tripling its number of teams in an effort to reach more communities and school districts. The ultimate goal is to provide assistance to local government that results in meaningful property tax relief to the citizens of New Jersey.

THE REVIEW PROCESS

In order for a town, county or school district to participate in the Local Government Budget Review program, a majority of the elected officials must request the help of the review team through a resolution. There is a practical reason for this: to participate, the governing body must agree to make all personnel and records available to the review team, and agree to an open public presentation and discussion of the review team's findings and recommendations.

As part of each review, team members interview each elected official, as well as employees, appointees, members of the public, contractors and any other appropriate individuals. The review teams examine current collective bargaining agreements, audit reports, public offering statements, annual financial statements, the municipal code and independent reports and recommendations previously developed for the governmental entities, and other relative information. The review team physically visits and observes the work procedures and operations throughout the governmental entity to observe employees in the performance of their duties.

In general, the review team received full cooperation and assistance of all employees and elected officials. That cooperation and assistance was testament to the willingness, on the part of most, to embrace recommendations for change. Those officials and employees who remain skeptical of the need for change or improvement will present a significant challenge for those committed to embracing the recommendations outlined in this report.

Where possible, the potential financial impact of an issue or recommendation is provided in this report. The recommendations do not all have a direct or immediate impact on the budget or the tax rate. In particular, the productivity enhancement values identified in this report do not necessarily reflect actual cash dollars to the municipality, but do represent the cost of the entity's current operations and an opportunity to define the value of improving upon such operations. The estimates have been developed in an effort to provide the entity an indication of the potential magnitude of each issue and the savings, productivity enhancement, or cost to the community. We recognize that all of these recommendations cannot be accomplished immediately and that some of the savings will occur only in the first year. Many of these suggestions will require negotiations through the collective bargaining process. We believe, however, that these estimates are conservative and achievable.

**LOCAL GOVERNMENT BUDGET REVIEW
EXECUTIVE SUMMARY
CITY OF MILLVILLE**

Governing Body

By waiving health benefits for elected officials, the city could save approximately \$36,605.

City Clerk

By eliminating two support positions, the city could save approximately \$75,070.

Automating the city's code book would cost approximately \$10,000 - \$20,000.

By raising liquor license fees to the state maximum, the city could generate a revenue enhancement of \$24,160.

Insurance

By initiating a variety of health plan cost savings, the city could potentially save an estimated \$290,100. Also, by renegotiating and implementing plan design changes, the city could save approximately \$34,500 in their prescription plan.

Personnel/Payroll

The city could eliminate one staff position for a savings of approximately \$45,538 by using a payroll service company for an expense of approximately \$8,000, and by purchasing an automated time clock system for a one-time expense of \$19,000.

By restructuring the personnel staff, realigning salaries, and reducing part-time and supplemental positions, the city could yield an estimated savings of \$347,009.

The city could also yield \$38,960 in potential savings by reducing sick leave usage by superior officers.

Finance

By reallocating the Chief Financial Officer (CFO) salary to the general, water and sewer fund the city could save approximately \$14,030. The CFO should also be required to ensure that the general ledger and subsidiary ledgers are balanced on a monthly basis for a savings of approximately \$20,000.

Purchasing

By implementing various recommendations submitted by the review team, the city could save approximately \$88,920 in the purchasing division.

Cash Management

The city should consider soliciting RFP's for banking services for certain accounts for a revenue enhancement of \$66,395 annually.

By analyzing the current fund budget, the city could lower the amount budgeted for a savings of approximately \$268,000.

Tax Collection

By eliminating one cashier and one customer service/secretarial position the city could save approximately \$81,130.

Legal

The city should consider hiring a full-time municipal attorney for an estimated savings of \$65,000, or pay the city solicitor by contract for a savings of \$11,904 in benefits. Also, the city could yield an estimated savings of \$23,829 by contracting for the assistant city solicitor and public defender.

Court

By using a professional contract for the prosecutor, the city could save approximately \$15,788 in health benefits.

Implementation of a Closed Circuit Television (CCTV) arraignment program would have a one-time expense of \$27,463 with a ongoing productivity enhancement of \$30,976.

The city should consider filing an application with the Administrative Office of the Courts to participate in the Comprehensive Enforcement Program for a revenue enhancement of \$38,476.

Engineering

By eliminating one of the assistant municipal engineers' titles, the city could save approximately \$20,000 in salary costs.

Planning and Economic Development

By eliminating one clerical position the city could save approximately \$44,701. Also, by consolidating the planning and zoning boards into one board, the city could save an additional \$2,400.

Sewer Utility

By transferring employees' direct benefits from the current fund budget to the sewer utility the city could save an estimated \$61,944 in the current fund budget.

The city could save approximately \$309,805 in the sewer utility budget by keeping excess revenues to 8%. By reducing surplus funds, the city could also save approximately \$424,362.

A restructuring of the plant operations could save the city approximately \$19,473 in salary, overtime and a reduction in workload.

Water Utility

By transferring employees' direct benefits from the current fund budget to the water utility the city could save an estimated \$51,157 in the current fund budget.

The city could save approximately \$99,032 in the water utility budget by keeping excess revenues to 8%. By reducing surplus funds, the city could also save approximately \$229,614.

By eliminating one position in the meter function, the city could save an estimated \$46,822 in salary and benefits. Also, the city should consider combining water and sewer utilities under one administrative structure for an additional savings of \$117,943.

Police

The city should seek accreditation by the Commission on Accreditation for Law Enforcement Agencies, Inc. for an expense of approximately \$18,000.

Eliminating six patrol officers from the general patrol could save the city approximately \$248,136.

The city should consider hiring a retired police officer for the control, handling and storage of evidence at a cost of \$10,400.

The city could also save approximately \$20,810 by eliminating six fixed crossing guard posts and utilizing the roving guard program.

By creating and implementing a Parking Enforcement Officer (PEO) program, the city could enhance revenues by an estimated \$24,000 at a cost of \$6,500 for four hours daily. Also, by adopting the PEO's concept to train the officers as professionals and have them assist with parking and quality issues, the city could eliminate two provisional individuals for a savings of \$7,540.

By eliminating one warrant officer position and one Animal Control Officer (ACO) position, the city could save an estimated \$67,349. The city could increase revenue \$12,000 by developing a fee schedule for reports requested.

The city should consider providing police dispatch through the county for a savings of \$213,069 and at a cost of \$75,000 to the county.

By renegotiating the uniform maintenance allowance, the city could yield a potential savings of \$30,700.

Rescue Squad

By reducing and/or eventually eliminating all subsidies, the city could save approximately \$16,256 in the first year, and up to \$81,281 by the fifth year.

Fire Department

Eliminating stipends to retired firefighters could save an estimated \$3,500 per year. The review team also recommends hiring two additional firefighters at an expense of \$91,100 and have the additional firefighters conduct non-life hazard inspections for a revenue enhancement of \$32,500.

Garbage & Recycling Collection

By re-bidding for the current recycling contract the city could yield a savings of \$33,636. Also, the city could yield an additional \$30,016 in savings by utilizing a private vendor for vehicle maintenance.

Streets & Roads

Reorganization of staff in brush, grass, and leaves, code enforcement and compost facility would result in a savings of \$105,813 in salary and benefits.

The city should consider purchasing an employee tracking software at a cost of approximately \$1,500. The city should also consider replacing the current fuel system with an up-to-date system at an expense of \$30,000 - \$50,000.

Recreation

The team recommends that the city reduce the title of superintendent to general supervisor for a savings of approximately \$5,000 - \$10,000 in salary costs. The team also recommends that the city hire an additional employee in building maintenance at a cost of \$15,600.

The initiation of fees to cover costs for the summer program and Union Lake Beach could yield at least \$7,585 in annual revenues.

Library

By installing security cameras at a one-time expense of \$1,000, the city could reduce the need for daily staffing of security personnel for annual savings of \$1,800.

By reducing its funding and the number of in-house periodical subscriptions, and by adjusting their hours, the city could save approximately \$135,700.

Collective Bargaining Agreements

PBA Local 213

By eliminating longevity and holidays for officers' birthdays, reducing overtime and removing court preparation costs, the city could yield \$39,999 in potential savings.

Superior Officers Association

By removing the captain's position from the bargaining unit and eliminating extra benefits granted for "accident-free year," the city could yield a potential savings of \$4,312. Also, by eliminating officers' birthdays as a holiday, the city could yield an additional \$1,920 in potential savings.

Civil Service Association – Council 18

Reduce "opt-out" medical family payments for a potential savings of \$8,000. The city could also yield a potential savings of \$900 by ending annual payments for Commercial Drivers' Licenses (CDL).

Millville Administrative Unit

Remove recommended titles from the unit for a potential savings of \$38,300.

FMBA Local 63

By eliminating the current longevity practice and court provision, the city could yield a potential savings of \$6,921. The team also recommends that firefighters be given time off in an amount equal to other municipal employees, for a potential savings of \$24,088 in salary and benefits.

Chief of Police

By eliminating the contractual relationship with the chief of police, the city could yield a potential savings of \$6,814.

	One-B91time Savings/		Annual Savings/		*Potential	
<u>Areas Involving Monetary Recommendations</u>	<u>Expense</u>		<u>Expense</u>		<u>Savings</u>	<u>Totals</u>
Governing Body						
Waive health benefits for elected officials				\$36,605		
						\$36,605
City Clerk						
Eliminate two support positions				\$75,070		
Automate processing of code books			(\$10,000)	(\$20,000)		
Increase liquor license fees				\$24,160		
						\$79,230
Insurance						
Switch to managed care network			\$105,000	\$180,000		
Reduce medical fees by approximately 5%					\$72,500	
Increase deductible to the traditional plan					\$30,600	
Negotiate & implement plan design changes					\$34,500	
Negotiate 50% premium co-pay					\$82,000	
						\$105,000
Personnel/Payroll						
Purchase automated time clock system		(\$19,000)				
Contract for payroll service company				(\$8,000)		
Eliminate one staff position				\$45,538		
Reduce number of supervisors				\$80,210		
Allocate part-time functions to management level				\$18,238		
Reduce sick leave in superior officers					\$38,960	
Realign salaries with other cities in county				\$142,184		
Reduce part-time and supplemental positions				\$106,377		
						\$365,547
Finance						

Reallocate CFO salary				\$14,030		
CFO insure subsidiary ledgers are balanced				\$20,000		
						\$34,030
Purchasing						
Use recommended steps to reduce costs of operation				\$88,920		
						\$88,920
Cash Management						
Solicit RFP's for banking services Group #2			\$62,325	\$66,775		
Solicit RFP's for banking services Group #3			\$4,070	\$4,790		
Lower amount budgeted for expenditures				\$268,000		
						\$334,395
Tax Collection						
Eliminate one cashier position				\$36,014		
Eliminate one customer service/secretarial position				\$45,116		
						\$81,130
Legal						
Hire full-time attorney or pay city solicitor by contract			\$11,904	\$65,000		
Pay assistant city solicitor by contract				\$10,028		
Pay public defender by contract				\$13,801		
						\$35,733
Court						
Eliminate benefits to prosecutor				\$15,788		
Install CCTV procedure		(\$27,463)				
Productivity enhancement from CCTV installation				\$30,976		
Collect delinquent funds with AOC				\$38,476		
						\$57,777
Engineering						
Eliminate one assistant municipal engineer title				\$20,000		
						\$20,000

Planning & Economic Development						
Eliminate one clerical position				\$44,701		
Consolidate planning & zoning boards				\$2,400		
						\$47,101
Sewer Utility						
Charge direct benefit costs to sewer from current fund				\$61,944		
Implement sounder budgeting techniques				\$309,805		
Cap surplus at 8%				\$424,362		
Eliminate one full-time operator position				\$56,913		
Hire two part-time employees				(\$37,440)		
						\$815,584
Water Utility						
Charge direct benefit costs to water from current fund				\$51,157		
Implement sounder budgeting techniques				\$99,032		
Cap surplus at 8%				\$229,614		
Eliminate one position in the meter function				\$46,822		
Combine water and sewer under one administration				\$117,943		
						\$544,568
Police						
Seek accreditation by CALEA				(\$18,000)		
Reorganize and eliminate six patrol officers				\$248,136		
Hire retired police officer for storage of evidence				(\$10,400)		
Utilize roving guard program to eliminate six posts				\$20,810		
Create and implement PEO program				\$24,000		
Increase in work hours for PEO program				(\$6,500)		
PEO assist with parking and quality issues				\$7,540		
Eliminate warrant police officer position				\$41,356		
Develop fee schedule for reports				\$12,000		
Police dispatch provided by county				\$213,069		

Cost of service to county for dispatch				(\$75,000)		
Eliminate one ACO position				\$25,993		
Remove uniform maintenance allowance					\$30,700	
						\$483,004
Rescue Squad						
Reduce subsidies paid to organization			\$16,256	\$81,281		
						\$16,256
Fire Department						
Discontinue quarterly stipend to retired firefighters				\$3,500		
Hire two additional firefighters				(\$91,100)		
Conduct non-life hazard inspections				\$32,500		
						(\$55,100)
Garbage & Recycling Collection						
Rebid recycling contract to biweekly collection				\$33,636		
Contract out for vehicle maintenance				\$30,016		
						\$63,652
Streets & Roads						
Eliminate one position in brush, grass, and leaves				\$33,079		
Eliminate one code enforcement officer				\$44,513		
Reduce hours of compost facility				\$43,281		
Change position to part-time employee				(\$15,600)		
Purchase employee tracking software		(\$1,500)				
Replace current fuel system	(\$30,000)	(\$50,000)				
						\$53,773
Recreation						
Reduce superintendent title to general supervisor			\$5,000	\$10,000		
Hire part-time employee for building maintenance				(\$15,600)		
Initiate fees for summer program				\$3,000		
Initiate fees for Union Lake Beach operation				\$4,585		

						(\$3,015)
Public Library						
Install security cameras		(\$1,000)				
Reduce daily security personnel				\$1,800		
Reduce funding to the library				\$91,537		
Reduce number of in-house periodical subscriptions				\$3,000		
Reduction in operating hours				\$41,163		
						\$136,500
Collective Bargaining Agreements						
<i>PBA Local 213</i>						
Phase out longevity					\$11,000	
Reduce overtime from four to three hours					\$6,083	
Remove court preparation costs from contract					\$12,750	
Eliminate officers' birthdays as a holiday					\$10,166	
<i>Superior Officers Association</i>						
Eliminate extra benefits granted for "accident free year"					\$4,312	
Eliminate officers' birthdays as a holiday					\$1,920	
<i>Civil Service Association - Council 18</i>						
Reduce "opt-out" medical family payments					\$8,000	
Eliminate annual payments for CDL					\$900	
<i>Millville Administrative Unit</i>						
Remove recommended titles for management purposes					\$38,300	
<i>FMBA Local 63</i>						
Eliminate longevity or establish evaluation system					\$6,871	
Eliminate court provision from fire contract					\$50	

Change time off for firefighters to equal municipal employees				\$24,088	
<i>Chief of Police</i>					
Eliminate contractual relationship with chief of police				\$6,814	
Total Recommended Savings		(\$98,963)		\$3,439,653	\$420,514
*\$420,514 not included in savings of \$3,340,690.					
Total Amount Raised for Municipal Tax					\$7,953,441
Savings as a % of Municipal Tax					42%
Total Budget					\$19,874,576
Savings as a % of Budget					17%
Total State Aid					\$5,485,917
Savings as a % of State Aid					61%

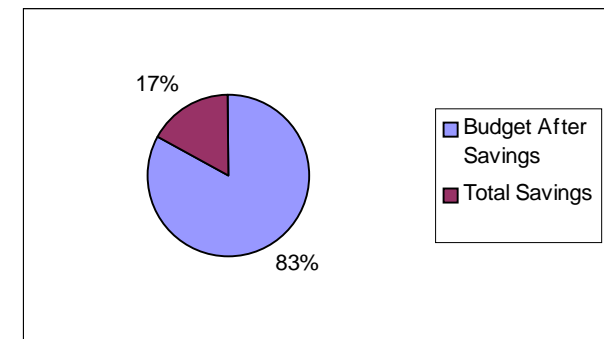
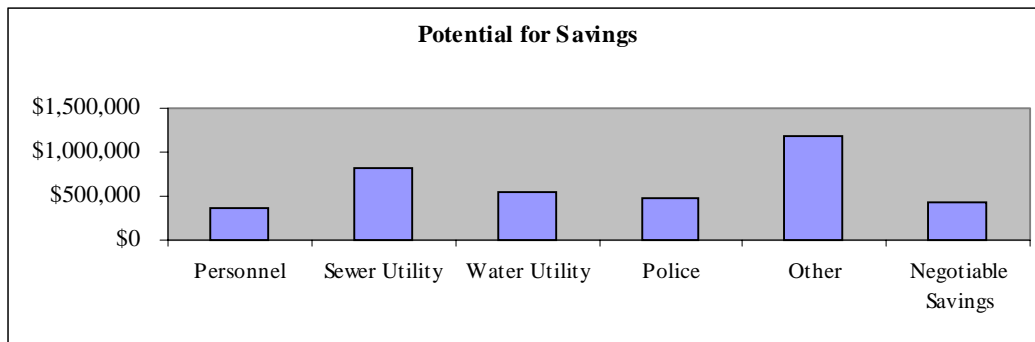


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COMMUNITY OVERVIEW

The City of Millville is a rural community located in southern New Jersey in central Cumberland County, approximately 45 miles from Philadelphia and Atlantic City. Millville is 44.3 square miles. It has an estimated population of 26,528, and a population density of 598.83 per square mile. The city was named after the industrial mills surrounding Union Lake. Union Lake, at 1.5 square miles, is South Jersey's largest recreational lake owned by the State of New Jersey, Division of Fish and Game. The city is known for its glass manufacturing industry, and derives much of its tax base from glass and textile manufacturing. Approximately 8% of the area is agriculture, 31% developed for residential, commercial and industrial use, with the remaining 61% vacant land and woodlands. According to the 1990 census, the community was comprised of 81% White, 8% Black, 7% Hispanic, with the remaining 4% distributed among other races. The per capita income is \$13,748 and the median household income is \$31,266, which exceeds the Cumberland County median household income of \$29,985, but is less than the state median average of \$40,927. The majority of adults living in Millville are employed in the technical, sales and administrative support fields. There are 10,150 housing units with 95% occupancy. The median value of a single family home is \$70,500, and the median rent is \$403.

The city is struggling with a steady decline in its tax base and rising unemployment rates, in part due to technological changes in the glass industry that resulted in the closure of several manufacturing facilities. In the past two years, the city has lost over 1,000 jobs due to various business closures and layoffs. As a result, the unemployment rate in the city is nearly 12%, in comparison to Cumberland County's unemployment rate of approximately 9%, and the state unemployment rate of 4.4%. The city implemented a seven penny increase in the local purpose tax rate for FY1998, held the local purpose tax rate steady for FY1999, and implemented a five penny increase in FY2000.

The completion of Route 55 has meant improved accessibility to the region. However, there are significant land areas within the city that are undeveloped. The city addresses the needs and demands for open space and recreational areas and facilities as a component of its broad-based economic development program. The city is also home to the Millville Municipal Airport, the state's second largest general aviation airport. The operation of the airport was recently transferred to the Delaware River and Bay Authority. The municipal building was constructed in 1970 and underwent improvements and expansion in 1996.

Millville was incorporated as a city by an act of the state legislature in 1866 and operated under the mayor-council form of government until 1913. The city operates under the commission form of government (Walsh Act) with five elected commissioners, one of whom is chosen by the commission to serve as mayor during the four year term.

I. BEST PRACTICES

A very important part of the Local Government Budget Review report is the Best Practices Section. During the course of every review, each review team identifies procedures, programs and practices that are noteworthy and deserving of recognition. Best practices are presented to encourage replication in communities and schools throughout the state. By implementing these practices, municipalities and school districts can benefit from the Local Government Budget Review process and possibly save considerable expense on their own.

Just as we are not able to identify every area of potential cost savings, the review team cannot cite every area of cost-effective effort. Below are highlights of those practices which are most outstanding.

Joint Purchase of Mobile Computer-Training Vehicle

The city purchased a mobile computer-training vehicle in cooperation with the neighboring City of Vineland and Cumberland County College. The total cost of the van was \$180,000. Millville's initial share was \$60,000 from state Urban Enterprise Zone (UEZ) funds that did not require a local match. Because these two cities contributed to the purchase of this vehicle, the cities have a prioritized use of the training. Cumberland County College provides the training itself. The investment that these two cities have made with the county college will pay for itself over a short period of time.

Cumberland Libraries United Electronic System (CLUES)

Millville Library is a member of CLUES which is an online catalog of five public libraries in Cumberland County. The other participating libraries include Bridgeton, Cumberland County, Cumberland County College, and Vineland. Membership in CLUES provides Millville residents access to more than 300,000 items, books and audio-visual materials, and entitles them to use and check out books at all of the participating libraries. This cooperative system provides residents with access to materials that the Millville Library would not have the space or resources to provide on its own.

Personnel Policy and Procedure

The city has done an excellent job in identifying personnel needs, adopting ordinances in this area and distributing the personnel policy to its employees. The administrative code has been upgraded to include sections on sexual harassment, family leave, progressive discipline, sick leave policies, and residency issues, as well as a policy on nepotism. In addition, the city has created an employee manual that should be copied by other jurisdictions as a model of public employee information. The city has gone beyond the standard in adopting such a manual and should be held in esteem by communities similar in size and employee development. We commend the city on a job well done.

II. OPORTUNITIES FOR CHANGE/FINDINGS AND RECOMMENDATIONS

The purpose of this section of the report is to identify opportunities for change and to make recommendations that will result in more efficient operations and financial savings or enhancements for Millville's residents and taxpayers.

In its study, the review team found the municipality makes a conscious effort to control costs and to explore areas of cost-saving efficiencies in its operations. Many of these are identified in the Best Practices section of this report. Others will be noted as appropriate in the findings to follow. The municipality is to be commended for its efforts. The review team did find areas where additional savings could be generated and has made recommendations for change that will result in reduced costs or increased revenue.

Where possible, a dollar value has been assigned to each recommendation to provide a measure of importance or magnitude to illustrate cost savings. The time it will take to implement each recommendation will vary. It is not possible to expect the total projected savings to be achieved in a short period of time. Nevertheless, the total savings and revenue enhancements should be viewed as an attainable goal. The impact will be reflected in the immediate budget, future budgets, and the tax rate(s). Some recommendations may be subject to collective bargaining considerations and, therefore, may not be implemented until the next round of negotiations. The total savings will lead to a reduction in tax rates resulting from improvements in budgeting, cash management, cost control and revenue enhancement.

One of the fundamental components of the team's analysis is identifying the true cost of a service. To this end, the team prepares a payroll analysis that summarizes personnel cost by function and attributes direct benefit costs to the salary of each individual. This figure will always be different from payroll costs in the budget or in expenditure reports because it includes health benefit, social security, pension, unemployment and other direct benefit costs.

GOVERNING BODY

The city operates under the Commission Form of Government Law, Chapters 70 to 76 of Title 40 of the New Jersey Statutes Annotated. The board of commissioners consists of five commissioners who are elected at large and serve for a term of four years. All of the executive, administrative, judicial and legislative powers of the city of Millville are vested with the board of commissioners. The commissioners designate one of their number as mayor who presides at all meetings of the board. Besides acting as president of the board, he supervises all departments and reports to the board, for its action, all matters requiring the attention of the board or of any department. The current makeup of the city commission includes a mix of experienced and relatively new commissioners.

The city code provides for a director of revenue and finance, a director of public safety, a director of public affairs, a director of public works, and a director of parks and grounds.

Commissioners' salaries are \$9,274 annually. The mayor receives a salary of \$10,040. The mayor and commissioners receive health benefits at an annual cost to the city of \$7,321 each. Total position costs for the commissioners for 1998 were \$88,758, with approximately 41% (\$36,605) being the cost of providing health benefits. In addition, each commissioner receives an expense account of \$1,500.

Recommendation:

It is recommended that the city elected officials waive the provision of receiving health benefits.

Cost Savings: \$36,605

It was apparent to the team that the city commissioners take an active role in city operations. This has resulted in increased debate on the issues and provides an opportunity for improved city operations through new ideas, perspectives and solutions.

CITY CLERK

The city clerk/administrator has worked for the city for the past 27 years in various positions, including deputy city clerk, deputy tax collector, and tax collector. He has been the city clerk/administrator for the past 11 years and also acts as the city registrar and board secretary.

The clerk attends all regular and special meetings of the board of commissioners, prepares meeting agendas, has custody of the minutes, the seal and all other papers and records of the city, and performs various other duties as may be required by law or by the board of commissioners. The official meeting minutes appeared to the team to be up-to-date and complete. The city clerk is also the treasurer of school monies for the Millville School District for which he receives separate compensation from the school district.

The city administrator is charged with administering the business affairs of the city. His duties include overseeing the day-to-day operations of the city under the oversight of the city commissioners. He is appointed by the board of commissioners and serves at the pleasure of the board. According to the city code, the administrator must be a resident of the city at the time of appointment. Among the duties assigned to the administrator are the coordination of finances, the compilation and analysis of budget costs and estimates, the maintenance of sound personnel policies and administrative practices, and the coordination of the city budget with the comptroller or chief financial officer. The administrator is assigned to the department of revenue and finance, but has responsibility to and duties regarding all agencies and departments within the city. The administrator/city clerk directly oversees the personnel/payroll office, which is discussed under the personnel/payroll section of the report.

Attendance

With the exception of the police department, the clerk/administrator's office maintains all attendance records and dictates policy regarding maintenance of all attendance records.

The police department functions with only minimal control through the administrator. See police section for LGBR observations and recommendations.

LGBR observed that the city clerk/administrator appears to handle these multiple duties in a professional and competent manner. The present level of staffing in his department contributes to that fact. His current and historical knowledge has proved invaluable, especially to the new commissioners, and he provides the necessary professional management and administrative leadership to the city.

Staffing

In addition to the administrator/city clerk (\$100,703 in position cost), there is an assistant municipal clerk/stenographer (\$72,078), an administrative secretary (\$50,690), a senior clerk typist/telephone operator (\$43,301), a senior clerk typist (\$31,769) a deputy registrar (\$45,604), and a coordinator of safety programs (\$61,236). The total clerk's office salaries, including benefits, for 1998 were \$403,237. The other expenses for 1998 for the city clerk totaled \$34,493 for a total operating expense for 1998 of \$437,730. The city clerk/administrator salary is split 80% general fund, 10% water utility, and 10% sewer utility.

The deputy registrar handles marriage applications and licenses, birth, death and marriage certificates, and dog licenses. The two senior clerk typists back-up the deputy registrar when she is out or is busy with other work. In addition, they handle secretarial duties for the mayor and the clerk, and assist with business and other licenses. The administrative secretary handles the secretarial duties for the clerk, raffles and permits, and fills-in where needed. The coordinator of safety programs title is discussed in the personnel section of this report. Most of the individuals have worked in this office for many years and therefore have a system in place for getting things done. They can also fill-in for each other whenever needed. Based on observation and information provided to the team during interviews, there appears to be a number of duplications of work responsibilities handled by the various positions within this office. This duplication of work indicates that two support positions within the clerk's office could be eliminated with minimal effect on the operation of this office.

Recommendation:

It is recommended that two support positions be eliminated in this office.

Cost Savings: \$75,070

In 1996, the city switched its financial software package. This in turn resulted in new program modules in the clerk's office, specifically for handling dog license records. The staff indicated that there were a number of problems with this module, that it was limited in what information it could provide, and that it did not generate the information some of the other departments were looking for. The staff indicated they had called the software provider, but things had not yet been straightened out. A demonstration of the module for the team bore out these claims.

Recommendations:

It is recommended that the city inform the vendor/software company of the problems the staff is having and work with that vendor to correct the problems.

It is also recommended that the city ensure that its staff is being provided with adequate training on the software and computers that are provided to its staff.

The city has also created the position of deputy city clerk, which is filled by the tax/utility collector. The reason for creating this position is the law requires that the municipal clerk or municipal engineer conduct the municipal searches. The tax/utility collector serves in this position, by ordinance, with no additional compensation. LGBR notes that the city code states that the position of deputy city clerk and chief financial officer may be held by one and the same person at a combined salary. The city code also states that the same person holding the office of city clerk may hold the office of tax collector. However, the code does not state that the tax collector can hold the office of deputy city clerk. The city should amend the code to reflect that the tax/utility collector is the deputy city clerk.

Recommendation:

City officials should take the appropriate action to ensure compliance with the city code regarding the deputy city clerk position.

City Code

The clerk's office is responsible for maintaining the city code books (volume I is the administrative code and volume II is land use regulation) which contains all local ordinances. The city has a professional services contract with a consultant to provide coding services for the city not to exceed \$6,000. The city clerk maintains the code books and the review team notes they are properly maintained. The city solicitor advised LGBR that he routinely reviews the code books along with the city clerk and other department heads. Automated processing of the code books would permit electronic access by all city officials/employees via the computer network the city is presently installing, and would permit changes to the code electronically.

Recommendation:

We recommend that the city investigate the automated processing of the code books.

Value Added Expense: \$10,000 - \$20,000

Licenses and Fees

According to city records, there are 24 alcohol beverage licenses: 7 club licenses, 3 distribution licenses, and 14 consumption licenses. The city charges \$600 for plenary consumption licenses, \$480 for distribution licenses, and \$150 for club licenses. The city has not revised the fee ordinance for alcoholic beverage license fees for some time. The statutory maximum is \$2,000 for distribution and plenary consumption, and \$150 for club licenses. The statute allows an

increase of 20% per year up to the maximum. In 1998, the city had 7 club licenses at \$150 each (\$1,050), 3 distribution licenses at \$480 each (\$1,440) and 14 consumption licenses at \$600 each (\$8,400). The city clerk/administrator explained that the reason the fees were not raised was because of economic considerations. LGBR's position is that a 20% fee increase per year will not place an undue hardship on a business establishment that holds an alcohol beverage license, and that the city should charge the maximum permitted by state statute.

Recommendation:

It is recommended that the city review and revise its liquor license fees annually and raise them to the maximum allowed by the state.

Revenue Enhancement: \$24,160

Professional Service Contracts

The team reviewed approximately 28 professional service contracts on file for FY1998. They were fully executed documents, had current authorizing resolutions and contracts were in place for all professional services. The contracts stipulated services required, city recourse for the firm's failure to provide such services, an accurate description of the payment method and amount including, in most cases, a "not to exceed" amount, the specific contract year and any other items the city deemed necessary to protect the public interest.

Recommendation:

We applaud the city for its use of professional service contracts that delineate services required, description of amount and payment method and "not to exceed" amounts. The city should ensure that fees for professional services are competitive by issuing competitive proposals as the contracts expire.

INSURANCE

Health Benefits

Total health care costs to the city in FY1999 are estimated by the third party administrator to be \$1.94 million, of which approximately \$1.44 million is for health care, about \$345,000 for prescription costs and \$165,000 for dental benefits. Prior to employee cost-sharing provisions found within the contracts in Millville, a comparison reveals that the city's health plan is about \$55,000 more expensive annually than the State's Health Benefit Plan. The city has set up cost-sharing provisions, i.e., the employee's share of HMO plans above costs of the city is self-insured plan for dependent coverage is paid by the employee, that can make the health plans comparable in cost. For this reason, the city's plan may be the best plan for Millville. However, the city should make design changes to the plan in order to keep its rates competitive with the state plan.

The city's benchmark health plan does not have any managed care provisions, and the fully insured components are driving up the overall costs of insurance. It would require an extensive amount of negotiation and education on the city's part to redesign its health care strategy in order

to keep costs competitive with the state plan. The current cost-sharing benchmark used by the city is the traditional indemnity plan. The plan contains no cost-containment strategies and will continue to escalate in cost at a higher rate than a managed care plan because of the following factors:

- an aging workforce;
- amount of non-network utilization; and
- discounts in the new network are not as great as the previous network.

The city can lower these costs by using a self-funded managed care plan as the benchmark plan. According to past studies and industry statistics, the city could save approximately 7% - 12% or \$105,000 - \$180,000 by using a managed care plan as the benchmark plan compared to the traditional plan.

The costs for the HMO and PPO portions of the plan are lower than the traditional plan, but could be lower. This is caused by the traditional plan being primarily self-funded and the experience has been favorable. The city could lower the costs using the following strategies:

- As suggested by the plan administrator, place all plan designs under self-insurance. The fully insured portions of the plan would then be converted into self-funded managed care plans with both specific and aggregate excess insurance coverage. The network the city currently uses does not offer significant discounts over the reasonable and customary rates for health care in the region. According to information provided by the health care administrator, the network used is approximately 5% higher in cost over the last network while the utilization of the network is less than that with the prior network. The plan recently had to switch networks because the prior network did not meet their requirements. According to the health care administrator, there are now other networks that could offer the city better discounts than the current network.

Recommendation:

City officials, the broker and the health insurance administrator should undertake a study during renewal season to evaluate the effectiveness of the plan design for patient utilization and cost-effectiveness. If the city were to switch to a managed care network as the benchmark plan design, cost savings would average 7% - 12%, and the city could save \$105,000 - \$180,000 annually.

Cost Savings: \$105,000 - \$180,000+

- Another option is to use the self-funding mechanism of the full-insurer, through the broker, which could offer significant rate discounts over the current self-insurance plan. This could present problems in doctor utilization if the doctors used are not in the plan because the city incurs higher costs through non-network charges and possible dissatisfaction with the network by employees. The savings of having a larger insurance network needs to be compared against a network that does not offer the same level of discounts but reputedly has a large network penetration in the local area. The city's broker and administrator could assist

the city in exploring these options in more detail. If the city continues on its present course, the cost-differential between the city plan and the state plan will continue to grow.

Recommendation:

The city and its health insurance partners should look at network alternatives compared to its present situation. If the city were to switch to another network, the city could save an additional 5% - 10% over current rates. The city could possibly improve its network penetration through use of another network and stronger requirements of network utilization. If the city were to reduce its medical fees by approximately 5% through either better rates or more network utilization, the city would save approximately \$72,500.

Potential Cost Savings: \$72,500

The city could consider raising deductibles. For example, if the deductible increased \$100 for single coverage and \$250 for family coverage, the city could save at least \$20,400 annually. There would also be a likelihood of less utilization as a result of increased plan costs to the employee. The city could also employ second opinion strategies for all surgeries and pre-approvals for all inpatient stays when applicable. The city can also increase the out-of-pocket maximums for the individual. This would not have the same cost impact of raising the deductibles, because fewer people will reach the maximum out-of-pocket expenses than will meet the deductible levels.

Recommendation:

The city should increase the deductible of the traditional plan by \$100 per single coverage and \$250 per family coverage. The city should increase the out-of-pocket maximum levels by \$100 per single coverage and \$250 per family coverage.

Potential Cost Savings: \$30,600

Prescription Plan

The City of Millville has a prescription plan that is estimated to cost \$345,000 for 1999. There are several plan design changes that can reduce the increases in costs for this area of health benefits, which has been described by experts (Hay Management Group) as a primary cost-driver in health care today.

Some of the larger prescription administration companies are introducing methodologies to mitigate the usage of higher cost, brand specific medications in order to control costs for their clients. These include the usage of three tier co-pays and drug formularies, which do not include some medications because the drug's therapeutic efficacy does not warrant its premium price. A study by a major pharmacy administration company indicated the amount of savings a plan can expect with several plan design changes.

If the city were to institute a three tier co-pay for its employees, it could expect to save about 7% - 9% or \$24,200 - \$31,100. The city could also institute an integrated pharmacy management program where a pharmacist reviews prescriptions applied to individuals in a group and makes suggestions to change a prescription regimen in consultation with the insured's physician. The savings through pharmacy management are estimated to be 3% - 7% or \$10,400 - \$24,200.

The prescription benefits consultant could also correspond with the patient about other medications that in their opinion have the same therapeutic value as the non-formulary medication. The city could save about 3% - 6% or \$10,350 - \$21,700 with a direct-to-patient formulary consultation. These savings cannot be combined in a traditional summary methodology, but the aggregate of these concepts should save about 10% overall to the prescription plan, and more importantly, hold down future increases for the city. The administrator of the self-insurance plan indicated that there are pharmacy administrators that can assist the city with cost-saving measures such as those discussed above.

Recommendation:

The city should negotiate and implement plan design changes such as those discussed above.

Potential Cost Savings: \$34,500

Dental Plan

According to a monthly bill from 1999, the city's dental plan costs approximately \$164,000 annually. The city pays the entire cost of the plan for its employees. The state charges its employees a premium co-pay of 50% of the plan cost. If the city were to negotiate this co-pay with its employees, expenses would be offset by \$82,000 per year.

Recommendation:

The city should negotiate a 50% premium co-pay with its employees for the city dental plan.

Potential Revenue Enhancement: \$82,000

Joint Insurance Fund

The city recently switched from a full insurance coverage to a joint insurance fund which resulted in the city saving over \$400,000 annually in property and casualty insurance. The majority of savings were in the city's general liability policy and business automobile policy. The workers' compensation policies have remained relatively consistent over the past seven years, even though there have been increases in payroll costs over the same period. The city has justifiable pride in its insurance savings through its switching to a joint insurance fund.

The experience methodology used by the third-party administrator for rating the individual municipalities within the fund does not fully reward the participants which have strong safety records, nor does it adequately penalize the municipalities which have a poorer than average performance. According to the plan administrator, the best of the municipalities receive either

the lowest increase or are flat-lined in their rates, the middle group receives an average increase, and the worst municipalities receive a higher rate increase. This does modify the amount of savings within the group, but can cause some dissension especially among the better performers.

The city does have an individual on staff who acts as the risk manager and heads the safety committee. The safety committee has regular meetings to discuss how to reduce employee accidents and to review claims. The city also has an insurance broker who acts as a risk manager in the joint insurance fund and attends meetings on behalf of the city.

Recommendation:

It is recommended that the city formalize its safety committee and improve claims tracking internally in order to reduce trends and better justify safety related expenses.

MANAGEMENT OF INFORMATION SYSTEMS

The city recently created the division of management information systems (MIS) under the department of revenue and finance. A former city assistant comptroller heads this division. He is supported by a clerical staff person transferred from the tax collector's office. This division reports to the city clerk/administrator and the director of revenue and finance.

Prior to the creation of the division of MIS, the city was slow to embrace technology. Part of that reluctance was a lack of training. To address this issue, the city purchased a \$180,000 mobile computer-training vehicle in cooperation with the neighboring City of Vineland and assigned it to Cumberland County College. Because these two cities contributed to the purchase of this vehicle, the cities have a prioritized use of the training. The training itself is provided by Cumberland County College. The investment that these two cities have made to the county will pay for itself over a short period of time in training employees to be more effective and efficient in computer use.

The city is undergoing a transformation to better utilize city computers. The recently promoted division head possesses both the interest and knowledge to assist the city in moving forward with technology. During the early part of the review the city was attempting to address both its Y2K problems as well as upgrading to a citywide network.

The city has a financial system that is flexible and used by many other communities within the state, so there is an informal network of other municipalities that can assist the city should problems arise. As mentioned in another section of this report, the payroll system was designed for school districts and is not integrated with the rest of the city's financial package, and has not demonstrated its Y2K reliance. The city should explore a payroll provider, either a payroll service company or a computer service package, that would provide a more integrated information solution.

The city conducted a study in order to plan a citywide local area network. The study recommended a new network platform. The city will use lower cost digital telephone lines to obtain high speed access at reasonable cost.

Recommendation:

The city should continue to investigate costs for data transmission. The telephone company as well as the local cable company and other suppliers should be checked regularly to control costs. There has been a tremendous influx of new technology that has reduced telephone costs in New Jersey, such as ADSL (Asynchronous Digital Subscription Lines). The cost of these lines is significantly less than the other forms of data access. The local telephone companies are slowly introducing this service throughout the state.

CIVIL SERVICE

Millville City is a community currently regulated by the New Jersey Department of Personnel (NJDP) within its human resource area under N.J.S.A. 11A and N.J.A.C. 4A. Both statute and administrative code place Millville with about 50% of all jurisdictions in New Jersey that are subject to a specifically defined merit system. At the present time, Millville, a commission form of government, has designated its clerk/administrator as its official liaison to the NJDP.

According to payroll records supplied by city officials, total employees as of 12/1/98 included 219 full-time employees, 6 part-time employees and 5 elected officials. In addition, there are 16 part-time school guards and 24 special law enforcement officers. The records provided to the team by the city indicated that base salaries included longevity, college credit amount (which applies to police officers only) and any other contractual benefits that are applicable.

Presently the civil service make-up of the community does not coincide with records made available through the payroll. There could be numerous reasons for these discrepancies, but a difference of 11% appears to be high. For purposes of the civil service segment of this report, LGBR will identify the various categories of employees reported to the NJDP effective spring of 1999.

EMPLOYEE CATEGORIES	
Unclassified	22
Unclassified – Special Police Officers	35
Permanent	232
Provisional	23
Total Employees	312

The clerk/administrator works closely with the payroll supervisor/supervising personnel clerk to identify problems and communicate with NJDP. This working arrangement has served the city well as it continues to upgrade its relationship with the state using computer-assisted programs and transmitted information.

Some current problems apply to long-term provisional employees that date from as early as 1991 and have yet to attain permanency or have left and need to be eliminated from civil service records. In addition to some problems identified in this area, the city has elected to combine a number of jobs and titles into one classification (dual title). In relationship to other jurisdictions, the justification for dual titles appears to be related to salary and contract provisions which afford monetary increases based on classification change. This is not to say all dual titles are not valid, but it does appear many duties could be encompassed within the body of the primary title. As a result of these dual titles, the city agrees to pay negotiated increases upon change of title when in some cases these costs could certainly be controlled. Some examples include:

Construction Official/Director of Inspections
Animal Control Officer/Police Aide
Land Surveyor/Principal Engineering Aide
Motor Broom Driver/Public Works Repairer
Heavy Equipment Operator, Roads/Mechanic

Recommendations:

It is recommended that NJDOP civil service records be reviewed with current payroll records to correct the discrepancy that currently exists. It is further recommended that provisional employee testing be conducted on an expedited basis, especially for those appointed over two years ago, permanent appointments made where appropriate, and any changes reported on a timely basis to NJDOP.

We also suggest that the city carefully review requests to create dual titles since doing so could increase costs where a restructuring of the job may suffice. The city should attempt to “wrap” new or identified duties into the primary title where possible, working with the Department of Personnel to achieve this goal.

Finally, it is recommended that the city update computer capabilities and training as necessary to enhance communications with the Department of Personnel electronically. Advances in this area could reduce manpower costs in several areas, such as telephone time, hard copy personnel transactions, and eventually appeals.

PERSONNEL/PAYROLL

The division of personnel reports to the city clerk/administrator. This division consists of a payroll supervisor/supervising personnel clerk, a provisional payroll clerk and a provisional principal payroll clerk. The 1998 salary costs, including benefits, for this division was \$153,085. The 1998 other expenses were \$16,984 for a total division cost of \$170,069.

Personnel

Personnel matters are routinely handled in the clerk/administrator's office although records and routine employee information can be obtained in the payroll office. Employment interviews are generally conducted at the commissioner level with the appropriate department official. Separations can be achieved through routine retirement procedures from the payroll office or by the department if the individual voluntarily resigns his/her position. Other personnel matters are defined in the administrative code and give direction to disciplinary procedures, leave, layoffs, medical evaluations, performance evaluations, family emergencies, and duties. Millville is a civil service community and is subject to both state statute and administrative code rule and regulation. Grievance procedures are defined by contract and do involve segments of both the personnel office (clerk/administrator) and the commissioners, and in some cases the city solicitor. Commissioners become involved in negotiating contracts with two law firms - the city solicitor and special labor counsel. Labor counsel negotiates the police department's two major contracts.

Payroll

At the time of our review, the city's payroll was being calculated weekly by three full-time individuals. Much of the weekly payroll work is repetitive. Interviews with both the city clerk/administrator and the payroll supervisor indicated that weekly payrolls were contractually obligated and also stipulated in the administrative code. Serious discussions regarding a possible switch to a biweekly payroll ended with concerns regarding past practice and labor contracts. LGBR has determined that a biweekly payroll would be appropriate here, and by cutting the repetition of the process in half, the city can save anywhere from 25% - 50% of the time expended on the process by the staff. Switching to a biweekly payroll would save in staff time, reduce supplies, generate extra interest earnings, save department-head time on manual time sheet administration, etc.

Millville is one of three municipalities within Cumberland County that were reviewed for comparison purposes since these communities make up the largest of the municipalities within Cumberland County. The city is comprised of approximately 260 to 280 employees in a town of approximately 26,000 citizens. Millville is smaller than the City of Vineland (population 50,000) and larger than Bridgeton (population 19,000). Vineland also uses a weekly payroll but is in the midst of totally automating its payroll, reducing paper and record-keeping at the department level. In Vineland's scenario, all records are transmitted daily to the comptroller electronically. This is not the case in Millville where hard copy records are still kept in most departments with some exceptions. A recent LGBR review in Monmouth County discovered that the county had purchased a time and control program with a pass-card system enabling timekeepers to pass information directly to payroll from a local vendor for an autonomous agency with 130 people for approximately \$9,500.

Besides the cost savings and productivity enhancements that go along with a biweekly payroll, LGBR has also found that the current payroll program does not integrate with the financial computer system the city uses. The payroll system was designed for school systems and is not integrated with the rest of the city's financial package, and has not demonstrated its Y2K compliance to the city.

Recommendations:

It is recommended that the city analyze the cost savings of switching to a biweekly payroll. Instituting a biweekly payroll would eliminate the need for one staff person in the office.

In addition, the city should explore both payroll service companies and computer service packages for a payroll solution that meets the city's need for a more integrated information solution.

We also recommend the institution of an automated time clock system at the city hall, city police administration building, and public works facilities. The costs of implementing an automated time recording system tied directly into payroll should more than pay for itself in one year's time through the reduction of administrative costs associated with the current payroll operation.

One-time Value Added Expense: (automated time system) \$19,000

Value Added Expense: (payroll service company) \$8,000

Cost Savings: (elimination of one staff position) \$45,538

Staffing – Revenue and Finance

A review of clerical support in the department of revenue and finance demonstrated there are 10 supervisory or senior titles out of 24 positions. Based on our analysis of the department and these specific divisions, it appears there are 2.4 employees to each supervisor, a ratio of nearly two to one. A reduction in the number of supervisors would make the ratio more reasonable with one supervisor to four employees. In the sewer division alone, there are two senior account clerks and two cashiers. Certainly the need for two "seniors" in this area is questionable since lead activity is not occurring. Therefore, LGBR believes a reduction of one senior account clerk is entirely possible simply based on title structure and line items identified in the revenue and finance section. Both water and sewer divisions offer the public four cashiers and three account clerks. Obviously, the same skills needed to receive payments for water can also be utilized in sewer.

Recommendation:

It is recommended the city reduce the number of supervisors to reflect, at a minimum, a 1:4 ratio to employees. Duplicate duties identified by title in the sewer division suggest that one senior account clerk and one cashier could be phased out to bring the supervisory function more in line with the suggested supervisory ratio. Job sharing in both water and sewer would make this transition rather fluid and offer the same services to the taxpayer simply based on title analysis, line items, and supervisory ratios. Projected savings based on total position value are estimated at \$80,210.

Cost Savings: \$80,210

Various positions throughout revenue and finance, as well as the remainder of the city, are granted secondary assignments and stipends that generally increase costs. In addition to dual

titles, the city awards third titles to some individuals in areas related to their primary function. In the revenue and finance area, these positions are identified as follows:

REVENUE & FINANCE	
Dual Titles	Stipend
Data Processing Coordinator	\$2,416
Supervisor of Data Processing Operations	\$2,652
Affirmative Action Officer	\$2,062
Treasurer	\$1,178
Assistant Municipal Tax Collector	\$2,180
Tax Search Officer	\$2,239
Registrar of Vital Statistics	\$2,180
Secretary Board/Commission	\$3,331

As a result of the city applying secondary wages to these employees at high levels, precedents are established allowing numerous employees to seek remuneration for jobs done very infrequently or generally already encompassed within their current classification. In addition, LGBR found it difficult to identify these extra part-time positions based on regular hours already worked. Although one or two of the positions may attend meetings in addition to their regular work day, one might successfully argue that management reserves the right to assign executive level employees to duties in line with their general position within the community. At a later point in the review, some discussion will take place regarding managers and their place in the labor community within the city. Based on this analysis, the city pays approximately \$18,238 for management duties that may already fall under their overall job responsibilities.

Recommendation:

We recommend the city allocate part-time functions to management level titles rather than identify these duties as part-time additional responsibilities, with savings of over \$18,238.

Cost Savings: \$18,238

Millville Sick Time Analysis for 10 months in 1998		
Department	# of Employees	Sick Days Used
R & F City Clerk	10	6.27
R & F Ec. & Ind. Dev.	5	6.65
R & F Tax Assessment	4	6.75
R & F Tax Collection	3	4.75
R & F Water	3	8
R & F Sewer	4	7.37
Public Affairs – Engineer	8	5.06
Public Affairs – Bur. P&I	8	4.96
Public Affairs - Fleet Management	5	3.75
Parks & Public Property – Air.	4	11.37
Parks & Public Property – Parks	7	9.67

Public Works – Water	17	13.98
Public Works – Sewer	21	6.03
Public Works – Sts. & Rds. - San. Landf.	18	14.72
Public Safety – Court	5	8.85
Public Safety – Office(P)	6	9.62
Public Safety – Dispatchers	5	12.85
Public Safety – Animal Control	1	3
Public Safety – Sup. Off.	14	21.64
Public Safety – Police	53	11.20
Public Safety – Fire	6	76.58 Hours – 9.57days equivalent 8 hr. days
Total	207	10.41 average

In general, the attendance records as studied for a period of 10 months in 1998, reveal acceptable sick leave usage with some exceptions. The superior officers far exceed the acceptable standard for sick leave (10 days or less over the 10 month period) with a potential for real savings in both health costs and overtime. The remainder of the chart reveals two other areas of some concern involving parks and public property (airport) as well as two divisions in public works (water and streets and roads). Dispatchers within the police department also exceeded 10 days sick time over the 10 month period. Each of these areas could result in savings generated in overtime and lost productivity.

Recommendation:

The city should take action to reduce sick leave in the superior officers group with a productivity enhancement of \$36,960. Reduce sick leave in other departments bringing sick leave down to the city average of 10.41 in public works and dispatch with productivity enhancements of approximately \$2,000. This can be accomplished by allowing the clerk/administrator to control policies and rules regarding sick leave and its usage in the police department. The city should take action to end practices of permissive use of pre-retirement sick leave through rigorous enforcement of medical criteria to justify such usage immediately prior to retirement.

Potential Productivity Enhancement: \$38,960

Affirmative Action

Millville has appointed an affirmative action officer in a part-time role. LGBR suggests the city appoint an individual who is representative of the cultural diversity within the city. At present, the minority community represents approximately 5% of the city's population. According to city records the city employs approximately 26 individuals of minority status not including females. 10% of its workforce is minority. LGBR applauds the city's minority work record although there appears to be a need to reflect the minority population in the city's "management" area inclusive of the police department.

Merit/Evaluations

Personnel policy does not provide for merit evaluations at the present time. With the exception of probationary evaluations, no performance reviews are conducted which can impact salary, longevity, or title change or incremental step. It is strongly suggested the city adopt a reasonable and tested vehicle to identify both performance exceptions as well as training needs. While the city should be applauded for steps designed to address progressive discipline, it has not connected performance reviews to this process. If the city is serious in its efforts to develop employees and enhance performance, some effort must be undertaken in this area.

Recommendation:

The city should study and adopt a professional merit standard to be used by all supervisors to address employee performance and enhance both supervision and production at all levels of government.

Personnel Policy and Procedure

Millville has done an excellent job in identifying personnel needs, adopting ordinances in this area and making the personnel policy available to its employees. The administrative code has been upgraded to include sections on sexual harassment, family leave, progressive discipline, sick leave policies, and residency issues as well as a policy on nepotism. In addition, the city has created an employee manual that should be copied by other jurisdictions as a model of public employee information. The city has gone beyond the standard in adopting such a manual and should be held in esteem by communities similar in size and employee development.

Recommendation:

We applaud the efforts of the city in this area. Based on the policies reviewed, LGBR believes the city should strongly enforce the policies identified in the personnel manual and adhere to them, especially in areas such as sick leave.

Promotions

Millville has established an ordinance guaranteeing compensation at the time of a title change. As a result, a minimal title change or the establishment of a dual title could result in additional salary. This ordinance appears to affect employees in contractual relationships in both the classified and unclassified status.

Recommendation:

It is recommended that careful consideration be given to an amendment to this ordinance to avoid unnecessary title changes resulting in significant out-of-step increases generally resulting in Consumer Price Index (CPI) increases over the current 3%. The city needs to evaluate positions and overall duties and responsibilities before adding additional titles and encumbering taxpayers with larger employee salaries.

Management Employees

An analysis of employee contracts reveals that nearly all employees in the city are contractually represented. The city attorney indicated that he normally conducts negotiations with at least one commissioner, and at this point has not sought to exclude certain management employees from various bargaining units before the Public Employees Relations Commission. As an example, the city currently recognizes the following 10 titles in bargaining units that might comprise managerial employees. Each of these titles is now represented at the bargaining table and in many cases is offered similar negotiated benefits in addition to administrative and/or executive level salaries. Such benefits as compensated time are offered with language suggesting overtime or compensated-time after 40 hours. Extra vacation and longevity are also mentioned for these individuals, all costing taxpayers additional dollars. Specific savings will be identified in the “negotiations” section of this report.

Police Captain	Clerk Administrator	Chief Finance Officer
Director of Economic Development	Asst. Comptroller	Tax Collector
Tax Assessor	Asst. Tax Collector	Asst. Municipal Clerk
Director of Community Development		

Recommendation:

It is recommended that the city remove a number of management titles from the bargaining units. Real savings will be discussed in the labor agreement section of this review.

Comparative Salary Analysis

For purposes of this review, the city’s salary structure was compared with that of Vineland, a city of over 50,000 and that of Bridgeton, a city of approximately 19,000. These cities were chosen due to their proximity to Millville and their socio-economic background reflecting an adequate mix of all citizenry in Cumberland County. The salaries and hourly rates were current year except a few specific negotiations regarding some individual titles. It is also interesting to note that all three communities are subject to civil service guidelines and, in general, use very similar title configurations.

One hundred twenty-five titles were compared in the three communities and, of this number, 49 titles were found in all three cities. For comparison purposes, the titles were analyzed, except for those unique to one community. Those titles were also identified if they appeared only in Millville. Of the titles compared, only those showing significant differences were identified and finally analyzed for cost savings. For purposes of this report, a \$3,000 annual difference or \$2 per hour variation in employee salaries was used to identify potential high salary levels. LGBR is fully aware that these salaries have mostly been negotiated and cannot be reduced without re-negotiation as well as implementation of certain civil service proceedings. However, LGBR believes these titles should be identified and an attempt made to bring them into line with the other two communities. In most cases, LGBR did not address salary irregularities and differences if the community with the largest population exceeded the salary in Millville. However, in some cases where this community did not identify a specific title, the smallest of the three cities was used to do some comparison.

Approximately 36 titles were identified as being higher than the comparative municipalities. Since the amounts identified are generally subject to negotiation and reflect differences of salaries between 5 and 15%, LGBR believes salaries could be adjusted to reflect savings of approximately 10% after serious negotiations take place. At the very least, the salaries could be capped for a period of time. As a means of identifying these cost savings, LGBR will reveal the titles selected and illustrate the total savings for all titles at the 10% reduction level. The salary comparison format will be available in the addendum section of this report. The titles identified are the following:

Police Sergeant	Mechanic's Helper
Tax Assessor	Municipal Court Administrator
Tax Collector	Payroll Clerk
Planning Director	Principal Assessing Clerk
Director, Economic & Industrial Develop.	Principal Cashier
Administrative Secretary	Principal Clerk Typist
Account Clerk	Receptionist
Assessing Clerk	Senior Account Clerk
Assistant Street Superintendent	Senior Assessing Clerk
Assistant Sewage Plant Superintendent	Senior Cashier
Assistant Water Superintendent	Supervisor of Accounts
Cashier	Supervising Cashier
Code Enforcement Officer	Superintendent of Recreation
Coordinator of Safety Programs	Tax Clerk
Deputy Municipal Court Administrator	Telephone Operator
Engineering Aide	Truck Driver
Maintenance Repairer	Zoning Officer
Mechanic	

Savings generated via intensive negotiation could save taxpayers \$142,184 if the 10% adjustment could be implemented fully over the next few years at costs reflected in current contracts. It should also be pointed out that some of the titles identified were entry-level positions and senior-level positions located in all three communities. In addition, it should also be mentioned, all titles were reviewed at their maximums in all the cities used for comparison purposes. Actual salaries in some cases might actually be less, but currently five steps generally place an individual at the maximum level.

Recommendation:

It is recommended that the city strive to bring salaries in line with other cities in Cumberland County by pursuing an aggressive policy of wage freezes/reductions to achieve savings of \$142,184 in the next few years.

Cost Savings: \$142,184

Part-time Salaries – Various Departments Other Than Revenue & Finance

In previous sections of this report, LGBR recommends that certain part-time positions be folded into full-time assignments. In addition, the report also indicates that LGBR will identify specific singular positions unique to the city, potentially encompassing other functions. Initially LGBR will point out additional enhanced part-time salaries found in various departments throughout the city. They can be identified in the various following departments by title and salary:

- 1) Deputy Fire Chief - \$1,591 – Department of Public Safety
- 2) Fire Chief - \$4,125 – Department of Public Safety
- 3) Fire Official - \$2,550 – Department of Public Safety
- 4) Fire Prevention Specialist – \$1,530 – Department of Public Safety
- 5) Planning Director - \$2,000 – Department of Public Affairs
- 6) Program Development Specialist, Youth Services - \$3,718 – Department of Parks and Public Property
- 7) Secretary/Board, Commission - \$3,331 – Department of Parks and Public Property
- 8) Zoning Officer - \$4,125 – Department of Public Affairs

Together the salaries encompassed in part-time positions total \$27,802. Some of these positions in the fire department will be reviewed later in depth; however LGBR believes conservatively that at least 40% of these salaries can be saved by placing duties and functions into existing positions. Savings could amount to \$11,208.

In addition to these findings, Millville’s salary ordinance reflects the following titles:

- A. Coordinator of Safety Programs - \$50,612
- B. Right-to-Know Specialist - \$44,557

One person is presently serving as the Safety Coordinator and the other title is vacant. These two titles in Millville are not found in either Bridgeton or Vineland. Both titles perform functions generally encompassed in other positions in many communities and autonomous bodies. As a prime example, LGBR has studied 11 landfill operations throughout the State of New Jersey. All these operations are labor-intensive as well as chemically-sensitive. In almost all cases, these duties are encompassed in salaried positions of high level supervisors who sometimes report independently to the superintendent on these issues. Unless the city has areas of its operation which LGBR has not been made aware of, involving highly sensitive and dangerous components, we would recommend that the city follow the same strategy as other jurisdictions by encompassing these duties within other established management responsibilities or a high level supervisory area. Such an endeavor could save Millville taxpayers an additional \$95,169 in base salary alone.

Recommendation:

We recommend reducing part-time and supplemental positions and end specialized classifications by “wrapping” those functions into high level supervisory responsibility, saving approximately \$106,377 in base salary alone.

Cost Savings: \$106,377

FINANCE

The finance office is organized under four separate divisions. These divisions include the tax assessor, tax collector, purchasing, and treasury. In a unique departmental organization, the chief financial officer of the city is assigned to the purchasing division as the purchasing agent/chief financial officer/affirmative action officer, while two assistant comptrollers come under the treasurer's office. Payroll functions come under the clerk/administrator. This organization raises the question of oversight of the financial functions of the treasurer's office that we address in this review.

The chief financial officer has served in that position since 1988. According to the city code, the chief financial officer is responsible to:

- supervise the work of the financial administration department;
- be responsible for the accounting, pre-auditing and control of revenues and expenditures;
- be responsible for the custody, receipt and disbursement of city funds;
- supervise and perform the work involved in the negotiation of loans and sale of bonds;
- be responsible for the safety and investment of city funds;
- manage the city's debt service;
- develop financial policies for recommendations to the administrator and board of commissioners; and
- safeguard the city's financial interest to the fullest extent.

The city code states that the term of the position of chief financial officer shall be for one year with each term ending May of each year on the third Tuesday. It goes on to state that the appointment of an individual to fill the position of chief financial officer shall be consistent with the provisions of the Public Laws 1988, Chapter 110. We note that this revision to the city code occurred in July 1990. Public Laws 1988, Chapter 110 was amended on August 25, 1991. N.J.S.A. 40A:9-140.10 states:

Notwithstanding the provisions of any law to the contrary, in every municipality there shall be a chief financial officer appointed by the governing body of the municipality. The term of office shall be four years, which shall run from January 1 in the year in which the chief financial officer is appointed...

Recommendation:

It is recommended that the city code conform to state statute regarding the position of chief financial officer.

Staffing

The treasurer's office is staffed by an assistant comptroller/treasurer, another assistant comptroller, an account clerk, a supervisor of accounts, and two senior clerk typists. As stated previously, the city's chief financial officer is shown on the organizational chart as heading up

the purchasing department as the city's purchasing official. One assistant comptroller has been promoted to head the newly created division of management information systems. The total position value for the treasury staff for 1998 is \$316,109. Other expenses for 1998 came to \$38,060. The city treasurer salary is split 70% general fund/15% water utility/15% sewer utility. The assistant comptroller salary is split 80% general fund/10% water utility/10% sewer utility.

We note that the chief financial officer salary is completely funded under the general fund. The precedent set by the city in allocating costs for services provided to the water and sewer utilities should be extended to the chief financial officer, since he acts as purchasing agent and CFO for the utilities. Allocating these costs for service should also be extended to other revenue and finance staff, as applicable.

Recommendation:

It is recommended that, in accordance with precedent set by the city, the CFO salary be allocated to the general fund, the water fund and the sewer fund. At a split of 80% general fund, 10% water fund and 10% sewer fund, the portion of salary allocated from the water and sewer budgets would be \$14,030.

Cost Savings: \$14,030

The team reviewed a series of professional service contracts, including one for auditing and other financial services to the city. Services rendered included preparation of the FY1998 Annual Financial Statement, assistance in preparing the FY1999 Budget, and a review of the Deferred Compensation Plan. There is no "not to be exceeded" amount in the contract. Hourly rates are \$140 for a partner/principal, \$100 - \$120 for a manager, \$78 - \$87 for a supervisor, \$60 - \$70 for a senior accountant, \$55 - \$59 for a staff accountant and \$40 for secretarial services. Records provided by the city indicate that the city paid over \$125,000 for auditing services in 1998, and over \$132,800 for 1999.

Recommendation:

Although the team recognizes the amount and scope of the work performed by the current auditing firm, we suggest that the city take the following action to ensure the most efficient expenditure of monies related to auditing matters. A request for proposals could be prepared that would allow the city to determine if it is paying the "market rate" for comparable services. Though the quality of auditing services is of greater importance than the cost, there is still a "market" of qualified, competent auditing firms that could be contacted and asked to provide proposals for services to the city.

The finance department has recently undergone an organizational change that transferred one assistant comptroller from the finance division to head the newly created division of management information systems. His duties include those relating to the internal audit function as well. It was reported to the team that this reorganization would address any bookkeeping deficiencies identified by the city auditors. Unfortunately, we have found this not to be the case at present. He reports to the city administrator and the director of revenue and finance. His office is staffed

with one clerical support person recently transferred from the tax collector's office. The assistant comptroller was given the title of chief auditor and an increase in salary. Although LGBR recognizes the necessity of a good MIS plan in achieving efficiencies and cutting costs in delivering municipal services, it appears to the team that the duties of the chief auditor are mainly MIS related at this time, and not finance/accounting related. LGBR has several concerns over the lack of focus on meeting financial statutory obligations within the department.

Interviews with auditing staff and city employees revealed that many of the accounting functions allocated to the chief financial officer by state statute are being done by the outside auditing firm that audits the city's books on an annual basis. It appears this has been occurring for some time. The reasons given to the team varied from resisting automation, to lack of training, to reluctance to delegate, to lack of managerial oversight. This results in spending taxpayers' dollars for services that should be completed by city staff, and also raises concerns about the appropriateness of an auditing firm auditing financial books it has prepared itself. Specific examples of accounting work that are the responsibility of the chief financial officer under N.J.S.A. 40A:5-12 are the preparation and filing of the city's annual financial statements, and maintaining a general ledger for all funds.

Not only is maintaining a general ledger part of the requirements of the CFO (Technical Accounting Directive #2), but the general ledger is also used to prepare the schedules contained within the annual financial statements. By maintaining a general ledger on at least a monthly basis, the city would be complying with statute, avoid the "end of fiscal year" rush to prepare financial documentation for the auditors, and save money through the cost avoidance involved with paying the city auditor to do these tasks.

Recommendation:

The CFO should be required to ensure that the subsidiary ledgers (revenue journal and disbursement journal) are properly balanced and posted to the general ledger on a monthly basis. This would allow the city to prepare its own financial statements and avoid the costs associated with having the city auditors prepare the general ledgers and annual financial statements. It would also institute a measure of internal control to the finance office. Assuming it takes the auditors 80 hours to post the general ledger and prepare the annual financial statements, and based upon the hourly rate specified in the professional service contract for senior accountant, the city could save approximately \$20,000.

Cost Savings: \$20,000

It was also brought to the team's attention that accounting tasks easily accomplished by existing clerical personnel in the finance division are being done by the treasurer/assistant comptroller. This is causing a backlog of accounting work in the office.

Recommendation:

We recommend that the treasurer/assistant comptroller delegate simple accounting and posting tasks to clerical staff. This would free up his time to do work more appropriate to his position and salary.

PURCHASING

The purchasing department is headed by the chief financial officer/purchasing agent who also acts as the city's affirmative action officer and data processing coordinator. The division is staffed by a principal purchasing assistant, and a senior clerk typist. The total salary cost, including benefits, for this division for 1998 was \$161,727, overtime amounted to \$697, and other expenses accounted for \$10,714. The city participates in a Cooperative Pricing Agreement with the County of Cumberland to purchase labor, materials and supplies.

The city created a purchasing board consisting of five members, including the city clerk, city engineer, chief financial officer, a city commissioner and a member of the department of revenue and finance. The duties of the purchasing board are to receive bids for goods and services on behalf of the city, publicly announce the bids, and keep proper records of the prices and terms in the official minutes of the board. After bids are received, read and recorded, they are reviewed by the city engineer who makes a recommendation to the city commission.

Payment of claims is contingent upon a detailed bill of items of demand. All disbursements of monies are drawn by the CFO, signed by the mayor and countersigned by the director of revenue and finance and the CFO. The purchasing ordinance of 1986 provides for a purchasing procedure. The payment procedure requires a detailed bill of demand on a voucher to the purchasing agent on or before the Friday preceding a regular meeting day. The CFO verifies the signature of the officer or employee that the goods or services have been received and makes all certifications as to fund availability. Claims are presented to the commissioner in charge of the department who reviews the claim and returns it to the CFO for placement on the agenda for the city commission meeting. The commissioners finally approve or disapprove of the payment via a roll call vote, and the clerk records all claims in the official minutes. After formal approval, the checks are prepared, signed and countersigned, and disbursed under the direction of the CFO.

According to the CFO/purchasing agent, the city handles approximately 4,000 purchase orders annually at a cost of \$172,000. This equates to approximately \$43 per purchase order, which is extraordinarily high. In comparison, the City of Paterson, during LGBR's review period, generated purchase orders at a cost of \$20 each. We suggest that the implementation of the following recommendations could lower the cost per purchase order generated to approximately \$21, using 4,000 purchase orders as a benchmark.

The city budgets for the CFO/purchasing agent salary entirely in the purchasing division, which could skew the cost upward. LGBR questions the need for the full-time CFO to organizationally be assigned to the purchasing division when unquestionably his duties, by statute and city code, fall mostly under the finance division. It is possible that the CFO spends most of his time with duties connected to the purchasing division, based upon our observations regarding the

accounting and investment functions of the finance division. He needs to refocus his attention on those areas of concern regarding statutory compliance. Since one of the assistant comptrollers has been promoted to division director, the management organization of the finance office would contain the CFO and one assistant comptroller/treasurer.

The city could also address this expense by automating the requisitioning/purchase order process with the goal of reducing the number of purchase orders and the amount of staff time spent. We were advised that the financial software purchased by the city in 1996 contained an automated purchase order module, for which the city paid an extra \$4,500. For reasons not clearly explained by the city, this module was not used at the time of purchase or for years thereafter. The director of the MIS division has informed us that the online purchasing module will be used this year, starting with revenue and finance and gradually expanding to the other departments as the network capability and training are available.

The city could also reduce expenses by restructuring the purchasing division. As mentioned above, a logical restructuring would move the CFO back to head the finance division and allocate a portion of his time and salary to the purchasing function as purchasing agent. The purchasing assistant, who seemed competent in our assessment, could handle the day-to-day functioning of the division, and one clerical position in the purchasing division would be eliminated in favor of a jobsharing system with the remainder of the clerical staff in finance. The workload should be lessened by utilization of the automated purchase order system, and a reduction in the number of purchase orders. We encourage cross-training among the entire finance department in the financial software package.

Costs of service provided to the water and sewer utilities should be charged back to those utilities, as precedent has already been set by the city in other departments. A portion of the salaries of the purchasing agent (already addressed in the finance section) and his assistant charged to the utilities would be based on a proportionate number of purchase orders generated from those departments.

Recommendation:

It is recommended that the city take the following steps to reduce the costs of operation of the purchasing division:

- 1) Allocate the costs of the purchasing operation to points of service – for example, purchasing services provided to the water utility should be charged to the water utility.**
- 2) Utilize the online purchasing system to reduce the number of purchase orders and staff time necessary to process them.**
- 3) Cross-train staff in the use of the financial software, particularly the online purchasing system.**

- 4) Restructure the finance and purchasing division. Downsize the purchasing division by one clerical position and use job-sharing, when appropriate.**

Cost Savings: \$88,920

CASH MANAGEMENT

This section analyzes the city's management of its cash balances. Specifically, it assesses whether the city obtains competitive interest rates from banks and whether it operates efficiently. This is done by reviewing banking fees and interest earnings; combining or closing small accounts to reduce bank charges; and using modern banking tools such as wire transfers.

The analysis of Millville's cash balances is based on interviews with the treasurer and finance officer who directly manage the city's cash balances. In addition, we talked to the various finance staff members about selected accounts. We completed a detailed analysis of bank statements for each major bank account to identify average daily balance, fees charged, interest paid, if any, and the interest rate.

The review team analyzed the city's use of its cash, its interest earnings and its relationships with its banks. The city official responsible for the city's cash management plan is the treasurer/assistant comptroller. Under his direction, the staff reconciles bank accounts, and posts interest earnings to the appropriate cash journal. The treasurer is responsible for deposits and withdrawals to investment accounts, the purchase of certificates of deposits, etc.

The city has adopted a cash management plan for 1998 in accordance with N.J.S.A. 40A:5-14. City officials have advised us that the city has not gone out for requests for proposals for banking services.

Recommendation:

We recommend that the city issue a request for proposals for banking services to ensure it is receiving the best return on its money by minimizing service fees while maximizing interest earnings.

According to the city's Annual Financial Statement (AFS) for the fiscal year ending June 30, 1998, the city maintains 36 checking accounts and 24 Certificates of Deposit (CD's). In analyzing the accounts, it was noticed by the review team that at least three checking accounts were not accounted for on the AFS. The city utilizes four main banking institutions with two other banks holding one municipal account each. The review team analyzed approximately $\frac{3}{4}$ of the municipality's checking accounts and compared the interest earned to the New Jersey Cash Management Fund (NJCMF) and the 91-day T-Bill rate for the same period. Account analyses were requested for all accounts, but could only be produced for 15 accounts. The remaining accounts that were reviewed by the team were analyzed utilizing bank statements. In all, the review team analyzed 30 checking accounts. The accounts with account analyses were analyzed

over a 12-month period (January, 1998 – December, 1998) and the accounts with only bank statements were analyzed over a 6-month period (January, 1998 - June, 1998).

Recommendations:

All municipal accounts should be accounted for on the city's Annual Financial Statement.

Account analyses should be requested and obtained for all city accounts. This information is essential in comparing interest earnings to benchmarks such as the New Jersey Cash Management Fund and the 91-day T-Bill. The account analyses show the municipality all of the fees charged, balances required for services, interest rates and other information that is extremely useful in analyzing banking services. The city should annually assess its banking services and use the results to create the best return on its funds through soliciting competitive proposals from banking institutions.

In looking over the city's accounts, it was noticed that there were eight accounts found in more than one bank. The following chart shows these accounts:

ACCOUNT NAME	NUMBER OF BANKS IN WHICH THE ACCOUNT IS FOUND
Current Fund/Current Account	4
Capital Account	2
Payroll Deductions	2
Clearing Account	2
Sewer Operating Account	2
Sewer Capital Account	2
Community Development – Revolving Loan	2
Community Development – U.D.A.G.	2

Recommendation:

The city should reduce the number of accounts that it maintains, thus reducing the overhead involved in maintaining and reconciling the accounts and giving the opportunity to maximize interest earnings by putting all of the money that is currently in similar accounts into one account with the highest interest rate.

Cost Savings: Undetermined (See next section for interest earnings potential for all analyzed accounts)

Upon reviewing the city's accounts, it was noticed by the review team that in order to properly analyze the accounts, they needed to be grouped into three categories: 1) Those with account analyses; 2) Those with bank statements with average daily balances; and 3) Those accounts with bank statements without average daily balances. The analysis on group one was conducted on a 12-month period from January 1, 1998 to December 31, 1998 and the analysis on the other two groups was conducted on a 6-month period from January 1, 1998 to June 30, 1998.

In analyzing the accounts, we compared the actual interest earned to potential interest earnings from the New Jersey Cash Management Fund and from 91-day T-Bills. While we know that it is unlikely for any municipality to earn interest equal to these because they are not meant to be utilized as a checking account, they are still good benchmarks to strive for.

GROUP #1 (Accounts with Account Analyses):

There were 15 accounts included in this analysis, although the bank grouped them into four sub-accounts for accounting purposes. All of the accounts were found within the same banking institution. The first group included the trust account, bail & criminal accounts, current account, payroll deduction account, capital account, 2nd generation urban enterprise zone account and the tax collector's escrow account. The second group included the clearing account, payroll account, and the public assistance accounts. The third group included the water operating account and the water capital account. The fourth group included the sewer operating account and the sewer capital account (we had to use an average for November, since the account analysis was missing). The following chart represents the actual interest earnings, potential interest earnings, and interest rates for these:

	Sub-Account #1	Sub-Account #2	Sub-Account #3	Sub-Account #4
Average Interest Rate Earned	4.90%	3.65%	4.90%	4.90%
Average NJCMF Interest Rate	5.28%	5.28%	5.28%	5.28%
Average T-Bill Interest Rate	4.80%	4.80%	4.80%	4.80%
Actual Interest Earned	\$134,374	\$21,745	\$37,894	\$64,151
Potential Interest (NJCMF)	\$144,823	\$31,842	\$40,967	\$69,171
Potential Interest (T-Bill)	\$133,607	\$29,419	\$37,903	\$64,302
Add. Revenue that could be Achieved	\$0 - \$10,449	\$7,764 - \$10,097	\$9 - \$3,073	\$151 - \$5,020

As a result of the above analysis, it was found that the city is doing a good job with the investment of these 15 accounts.

GROUP #2 (Accounts with Average Daily Balances):

There were 10 accounts that fell into this category for analysis. The accounts were spread between two different banks. The accounts included two current accounts, a sewer operating account, a sewer capital account, a self-insurance trust account, a community development

revolving loan fund, two additional community development accounts, a dog fund, and a capital account. The following chart represents the actual interest earnings, potential interest earnings, and potential interest rates for the above accounts (we used average figures for one month in the dog fund):

Average Interest Rate Earned	N/A
Average NJCMF Interest Rate	5.39%
Average T-Bill Interest Rate	5.04%
Actual Interest Earned	\$21,258
Potential Interest (NJCMF)	\$88,033
Potential Interest (T-Bill)	\$83,583
Additional Revenue that could be Achieved	\$62,325 - \$66,775

Recommendation:

The city should solicit RFP's for banking services for these accounts to achieve interest rates comparable to the accounts in the Group #1 analysis and to achieve interest earnings that are comparable to what could be achieved through the NJCMF or through 91-day T-Bills.

Revenue Enhancement: \$62,325 - \$66,775 annually

GROUP #3 (Accounts without Average Daily Balances...only Month End Balances):

There were five accounts that fell into this category for analysis. The accounts were spread between two different banks. The accounts included a current account, a local law enforcement block grant account, a trust account for state unemployment insurance, a municipal airport operations account, and a municipal airport capital account. The following chart represents the actual interest earnings, potential interest earnings, and potential interest rates for the above accounts:

Average Interest Rate Earned	N/A
Average NJCMF Interest Rate	5.39%
Average T-Bill Interest Rate	5.04%
Actual Interest Earned	\$9,410
Potential Interest (NJCMF)	\$14,200
Potential Interest (T-Bill)	\$13,480
Additional Revenue that could be Achieved	\$4,070 - \$4,790

Recommendation:

The city should solicit RFP's for banking services for these accounts to achieve interest rates comparable to the accounts in the Group #1 analysis and to achieve interest earnings that are comparable to what could be achieved through the NJCMF or through 91-day T-Bills.

Revenue Enhancement: \$4,070 – \$4,790 annually

As stated earlier, the city also maintains numerous certificates of deposit throughout the year. The review team notes that the interest earnings and rates on those CD's were comparable to what could have been obtained through the NJCMF and 91-day T-Bills.

ANALYSIS OF SURPLUS					
	1993-94	1994-95	1995-96	1996-97	1997-98
Beginning Fund Balance	\$4,027,892	\$3,811,826	\$4,343,932	\$4,422,367	\$3,039,284
Fund Bal. Appropriated	\$2,004,000	\$2,197,283	\$2,093,000	\$2,397,129	\$2,510,000
% Budgeted	49.75%	57.64%	48.18%	54.20%	82.59%
Surplus Generated	\$1,787,934	\$2,720,389	\$2,171,435	\$1,014,046	\$2,468,595
Fund Bal. Remaining	\$3,811,826	\$4,343,932	\$4,422,367	\$3,039,284	\$2,997,879
Total Bdgt. (not expenses)	\$17,361,416	\$18,616,295	\$19,530,963	\$19,696,557	\$19,572,717
Unused Fund Balance %	21.96%	23.33%	22.64%	15.43%	15.32%

Fund balance budgeted for FY1998 was \$2,510,000. This is \$112,871 more than FY1997.

For the last five fiscal years, the city's percentage of realized over anticipated revenues ranged from a high of 7.93% to a low of 2.19%. For FY1998, the city realized 6.27% in excess of budgeted revenues, or \$1,300,555 over the budgeted amount. The areas with the largest growth over the five year period include interest on investments (119%), fees and permits (32%), other revenues, allocations and credits (216%), and the UEZ (784%). Included in other revenues, allocations and credits are the discretionary municipal aid amounts, and the utilization of surplus from the water and sewer utilities.

For the last five fiscal years, the city's percentage of actual to budgeted expenditures ranged from a low of 94.17% in FY1998, to a high of 97.86% in FY1995. For FY1998, this equated to \$1,211,748 in expenses under the budgeted amount. The areas with the largest growth in expenditures over the five year period include police salary and wages (62%), fire salary and wages (50%), public works salary and wages (24%), parks and property salary and wages (30%), UCC functions (80%), and debt service (89%). Total appropriations have risen approximately 7% over this period.

ANALYSIS OF APPROPRIATION RESERVES				
	1993-94	1994-95	1995-96	1996-97
Beginning Balance (7/1)	1,928,358	1,184,356	1,450,127	1,639,257
Paid or Charged	996,945	822,893	819,611	1,098,848
Canceled/Refunds	-22,915	-7,629	-7,794	-8,228
Balance Lapsed (6/30)	954,328	369,093	638,309	548,638
Percent Lapsed	49.49%	31.16%	44.02%	33.27%

A penny on the local purpose tax rate raises approximately \$67,000. In FY1998, the city implemented a seven penny increase, raising an additional \$469,000. An analysis of the balance of appropriation reserves lapsed into surplus indicates that the city is overestimating expenses in the city budget on a regular basis. The city could realize this revenue by canceling unneeded appropriations at the end of the fiscal year, or by revising their budget estimates to conform more closely with actual expenditures. For FY1997, the city lapsed \$548,638 into surplus, or about eight pennies on the tax rate. The city could immediately (and conservatively) reduce the local purpose tax rate by at least four pennies (\$268,000) by reducing the annual budget appropriations to meet actual expenditures.

Recommendation:

It is recommended that city officials analyze the current fund budget and more accurately determine actual expenditures to lower the amount budgeted by at least four pennies on the tax rate.

Cost Savings: \$268,000

Annual Audit

The city's annual audit for the fiscal year ending June 30, 1998 is dated January 5, 1999. The audit is an unqualified audit, meaning no material weaknesses were found. Seven findings of noncompliance related to the financial statements were reported. Corrective action was implemented for three of the findings. Four findings remain outstanding, two of which involve the construction code office.

Annual Debt Statement

The city files an annual debt statement as required by N.J.S.A. 40A:2-40. The debt statement for FY1998 indicates that the city's percentage of net debt of equalized valuation of the last three years (\$858,448,565) is 1.21%. This is well below the maximum percentage permitted by statute of 3.5%. The net debt of the city as of June 30, 1998 was \$10,393,210. The city has \$356,066 in a green trust loan, and a loan from the NJEDA of \$311,909. The water utility and the sewer utility were self-liquidating in FY1998.

Municipalities who convert from a calendar year to the state fiscal year are permitted to anticipate "Fiscal Year Adjustment Bonds" (FYABs) as a revenue needed to balance revenues to appropriations for the transition year period, which was January 1 to June 30, 1991 for Millville. The bonds would fund the difference between revenue anticipation and appropriations. The city estimated \$2.8 million to be funded by fiscal year adjustment bonds for the transition year 1991. The city used an alternative financing method to permanently finance the amount estimated to be funded by FYABs by appropriating approximately \$712,500 in each of the city budgets for FY1992 – FY1995, thus paying off the debt sooner and reducing the overall costs to the city taxpayer.

We commend the city on identifying an alternative financing method that saved taxpayer money.

TAX COLLECTION

General

At the time of our review, there were ten full-time positions in the tax collection and utility billing office. The positions include a tax collector/utility collector, assistant tax collector, four cashiers (one who is bilingual), two senior account clerks, one account clerk, and a data entry clerk. The total for salaries and wages, including benefits, in 1998 was \$496,979, with other expenses of \$38,977, for a total cost of \$535,956. LGBR notes that the tax collector's salary is split 50% general fund, 25% water utility and 25% sewer utility. The three clerical employees assigned to the water utility are 100% funded from the utility. The four clerical employees assigned to the sewer utility are 100% funded from the utility. The assistant tax collector's salary is 100% general fund, although she certainly supervises the water and sewer billing and collection function. Her salary could be allocated in an appropriate split to the water and sewer utilities.

The total taxes collected in FY1998 were \$24,505,046 which includes the municipal, school and county tax levy. The local purpose tax accounts for 32% of the levy, schools account for 33% of the levy, and the county accounts for 35% of the levy. The city held the FY1998 tax sale in April, 1998 and sold 79 certificates to outside lien holders while 29 certificates accrued to the city. The city has approximately 110 certificates on hand. There are nine properties currently in foreclosure proceedings, and the city foreclosed on one property in 1998.

There appears to be a good working relationship among the employees in the collector's office. The employees are cross-trained and can fill in when and where needed. The assistant tax collector is the primary supervisor for employees in this office and handles "difficult" customer relation cases when they come up. One of the senior account clerks acts as secretary to the tax collector and handles additional duties as well. Three of the employees handle what is known as "customer relations" in addition to assisting with billing.

The city uses touch-pad readings for utility billing information and has reduced the number of meter readers to one. The team learned that approximately 3% of accounts are not on the touch-pad system (mostly industrial customers), and therefore require manual entry of information for billing purposes.

Collection Rates

There are 10,300 tax line items in the city. The collection rate for this year is estimated at 96.09%. This is the best tax collection rate the city has had according to staff interviewed. The collector feels that there are a number of factors that have influenced the improvement in the collection rates including a good economy, lien holders keeping properties current, and the township encouraging homeowners to keep current by sending out delinquent notices and holding the tax sale. The April, 1999 tax sale list originally included 300 properties and was reduced to 127 properties by the time of the actual sale. The city also has an ordinance that does not permit the issuance of a license to a business or commercial property if the owner is

delinquent on property taxes or assessments. The collector also credits the implementation of new financial software and hardware in 1996 for improvements in the billing and collecting of taxes and utilities. The division also uses a document imaging system for the storing and retrieving of all tax and utility records which enhances productivity.

COMPARISON OF PROJECTED AND ACTUAL TAX COLLECTION RATES					
	1993-94	1994-95	1995-96	1996-97	1997-98
Projected Collection Rate				94.15%	93.95%
Actual Collection Rate	94.03%	95.15%	95.63%	94.64%	96.09%
Over/Under Projection				+0.49%	+2.14%
Total Tax Levy	\$24,674,540	\$25,496,717	\$25,376,038	\$24,694,809	\$24,933,762
Total Current Collections	\$23,200,675	\$24,261,268	\$24,268,757	\$23,372,344	\$23,959,974

For FY1998, the city anticipated a collection rate that is .69% lower than the actual collection rate from the year before. However, the anticipated rate is also lower than the projected collection rate for FY1997, and actual collection rates for the previous four years. The actual collection rate for FY1998 is 96.09%, which is 2.14% over projections. The conservative projected tax collection rate permitted the city to build additional surplus reserves through a higher budget appropriation in the reserve for uncollected taxes, contributing to the seven penny increase in the local purpose tax rate for FY1998.

We commend the tax collector for her efforts in collecting the tax levy.

There are 8,000 sewer accounts and 6,000 water accounts in the city. The sewer collection rate was 95% and the water collection rate 94% for FY1998. Staff indicated during interviews that the city has a lengthy procedure by which water service is shut off to accounts when the bills are past due. Shut-offs require city council approval, not to mention a great deal of paperwork for

the staff. Staff indicated that many of the accounts involved in shut-offs, or near shut-offs, are repeat offenders. These individuals know how to play the system, refuse to pick up the certified mail notices, and wait until the last possible day to pay their bills.

Recommendation:

It is recommended that the city continue to avail itself of its authority to assess and collect interest on delinquent accounts pursuant to N.J.S.A. 40A:31-12 and N.J.S.A. 40A:26A-12. This would help to discourage late payments and alleviate the city's having to send out unnecessary certified notices, eliminate the need to send crews to shut off and turn on service, etc.

Central Cashiering

The cashiers in the tax and utility office handle payment receipts for nearly all city departments, with the exception of the municipal court. Municipal court receipts are received by the tax collector on a monthly basis. Other offices, such as inspections, collect payments paid by check, and deposit these moneys with the cashiers on a daily basis. All cash payments to any office must be paid through the cashiers in this office.

Office Setup/Staffing

Of the tax payments received, mortgage companies submit payments for approximately 1,630 properties on disk, leaving the staff to handle approximately 8,670 line items. When water and sewer line items are added to the number of tax line items, the average number of line items handled in this office per person is 2,267. The benchmark LGBR uses for comparative purposes of line items handled by staff, is 3,300 per person. This is approximately 30% higher than the number of line items being handled by the staff in Millville.

The township has a drive-up window for tax and utility payments. The township has one cashier assigned to the drive-up window, and the cashiering staff indicated during interviews that about 50% of total tax and utility payments received by the office are paid through this window. There are three additional cashiers available at walk-up windows in the building. One of the cashiers had been on loan to another department, and prior to her temporary reassignment, the office had five cashiers. Prior to her return to the office in the summer of 1999, the "fourth" cashier was transferred to another office so the office functioned without a fourth cashier for a time. Staff indicated that this could be a problem during peak tax payment periods. However, they felt that residents would not be adversely impacted, as staff from the customer service section fill in whenever necessary.

Recommendation:

It is recommended that one of the cashier positions be eliminated. The office has demonstrated that the work associated with payments can be handled with three cashiers. Also, the team was informed that 50% of all payments are received by one cashier, through the drive-up window, with a resulting 50% or less of payments being handled by the remaining cashiering staff.

Cost Savings: \$36,014

The “secretary” and the tax collector have separate, private offices located across the hall from the tax/utility collection staff. There is a small office/reception area across the hall from these offices. No one is assigned to this office space. There is a bell that visitors can ring to gain attention/assistance from the staff. Based on observation and discussions with the staff, most individuals opt not to ring the bell and instead go to the cashier area or they wander into the back offices where customer service is located. The office setup as it is currently configured is not customer-friendly and under-utilizes a good deal of space.

Recommendation:

It is recommended that the tax collector and “secretary” offices be relocated to the office space available on the other side of the hallway. One of the employees should be located in the entry office currently available and unused. The tax collector’s office could be relocated in the rear portion of this main office area, as there is a good deal of unused space.

Discussions with the staff indicated that there is little need in this office for an individual to act solely as a receptionist or a secretary. Observation of the office activity appeared to confirm this. Aside from the cashier functions, the remaining staff is primarily involved with customer service, billing, liens, etc. “Customer service” appears to be a by-product of the myriad of different tasks assigned to these employees.

Recommendation:

It is recommended that a customer service/secretarial position be eliminated, as there does not appear to be sufficient work to support the city having four individuals handling this type of work.

Cost Savings: \$45,116

TAX ASSESSMENT

General

Millville is a municipality whose ratable base is tending towards decline, or stability at best. Tax appeal losses combined with an extremely high number of exempt properties on the tax role exemplify this problem. The total assessed value of city-owned exempt properties is \$31,662,100. The city owns approximately 4.8% of the city’s overall ratable base of \$659,313,600. Millville’s last revaluation was in 1987. Currently, city and county officials are in the process of discussing the further need for a revaluation.

Recommendation:

In comparison to other municipalities, Millville has a very high number of tax exempt properties. The assessor should review all exemptions to ensure they are entitled to be exempt.

The city's largest taxpayers (glass production facilities) are continuously filing tax appeals. Any major sustained reductions could result in a continued loss of tax ratables.

	Equalized Value of Lost Appeals (True Value of Real Estate)	Adjustments for Tax Appeals in Real Dollars
1996	\$874,098,155	\$263,067
1997	\$871,440,194	\$297,338
1998	\$875,149,254	\$23,077

Staffing

The tax assessor works 35 hours per week and has three full-time staff members assisting him in the office. He is responsible for all field inspections throughout the year. Based on the size of the city (10,000 line items) and other work required during the year, the assessor's office is adequately staffed to get all of this work completed.

Building Permits/Added Assessments

The tax assessor has an adequate system of organizing the building permits in block and lot order of properties that may warrant an added assessment. The building permit and/or certificate of occupancy are attached to an inspection form. The system of inspecting the properties needs to be improved. If the work stated on the permit is not finished when the assessor inspects the property, the inspection form is re-filed in the permit file. It appears that these properties are never re-inspected when completed.

The review team did a detailed review of the building permits to determine if there is a backlog of permits that would result in a loss of revenue to the city. A review of the files did indicate that a large number of building permits are not inspected and potential added assessments are not being completed by the assessor. There are approximately 100 building permits from 1997, and 85 building permits from 1998 that may have required an added assessment or omitted/added assessment in the 1998 added tax list. The type of improvements being made by the owners is significant. The work description on the permits indicates the various types of improvements: detached garages, additions, porch/deck and major renovations. We did not estimate the amount of revenue being lost due to the added assessments not being completed by the assessor.

The tax assessor is required by statute to file a tax list on October 1st of all properties that are improved throughout the year. The building permit is one of the best sources of information to determine if an added assessment should be filed on a property. Based on the review of the backlog of permits, it is apparent that the tax assessor is not completing one of his most important statutory duties.

Recommendation:

It is recommended that the tax assessor budget his time in a more efficient manner and fully utilize his existing staff to ensure that the added assessments are completed each year.

LEGAL

The city has a salaried part-time municipal attorney, a part-time assistant municipal attorney and a part-time public defender. The city attorney has worked for the city since May, 1977 as assistant city attorney/city prosecutor and became city attorney in 1989. According to records provided by the city, the part-time municipal attorney received a \$26,902 retainer for 1999, receives health benefits and an additional \$108,000 in additional costs for the provision of various legal services outlined below. The city attorney charges \$80 per hour for legal services, which is low in comparison to fees charged by city attorneys in other reviews conducted by LGBR. The fee is set by the city on an annual basis. This would indicate that the city attorney worked an additional 1,350 hours, or approximately 26 hours per week, besides the time spent on legal services provided by retainer. The city solicitor estimates that he spends approximately 40 - 42 hours per week on city business. The city attorney acts as the city's legal representative for tax appeals. Currently, he is handling a substantial tax appeal by one of the city's biggest taxpayers. He also is the city contact for all litigation that is handled by the city's insurance representatives. He is supported by his law secretary, who is not a city employee, but who receives \$5,800 annually in compensation from the city in return for her services.

According to the city attorney, there are currently 56 open files. The city has a professional services contract for labor counsel. The rate for labor counsel is also \$80 per hour. The city also contracts for workers compensation claims, bond counsel, tax foreclosures and some tax appeal work. The city does not request proposals for outside legal services.

According to the city code, the city solicitor serves as the chief law officer of the city and attorney of record in all court proceedings dealing with the city. He advises city officers and bodies of matters relating to city government and supervises the preparation of all contracts, deeds and other documents, and all statutes, and ordinances and resolutions referred to him for preparation. He receives a salary as stated in the annual salary ordinance for the basic legal services outlined above. In addition, he receives additional compensation for litigation, special services, services in taking over real estate, securing assignment of rents and foreclosing tax title certificates and other legal services. These services are billed at an hourly rate set by the board of commissioners.

The assistant city solicitor performs duties assigned to him by the board of commissioners or city solicitor and acts as city prosecutor. He receives a 1999 salary of \$33,920 as set by salary ordinance, health benefits, and additional compensation for additional work assigned by the solicitor with the consent of the board of commissioners.

Recommendation:

Although the hourly rate charged by the city attorney is low in comparison to other communities we have reviewed, and we are not questioning the quality and quantity of work performed by the city solicitor, there is an opportunity to reduce legal costs to the city by hiring a full-time municipal attorney at a salary between \$60,000 - \$70,000, versus approximately \$135,000 paid to the part-time municipal attorney in 1998. Since the part-time attorney receives health benefits, there would be no additional cost to provide these benefits to the full-time attorney. The secretarial work could be done by current municipal clerical employees.

Cost Savings: \$65,000

If the city decides to keep the current part-time city solicitor arrangement, we recommend that the part-time attorney be paid by contract and not receive benefits.

Cost Savings: \$11,904

This recommendation would extend to the position of assistant city solicitor, as well.

Cost Savings: \$10,028

Public Defender

The municipal public defenders' law, N.J.S.A. 2B:24-1 et seq. requires each municipality to hire a public defender. The law provides that an application fee may be charged for those requesting a public defender. These fees are used to offset the cost incurred by the city in having a public defender. In Millville, should a defendant wish to have representation by the public defender the defendant completes an application and confirms the information on the application is accurate. The judge addresses the defendant on the court record as to the defendant being indigent. The judge has the discretion to waive the fee or charge up to \$200 for each application for this service. Approximately 425 defendants were assigned the public defender by the judge where a fee was charged. The city collected \$4,630 in fees for FY1998. The city's ordinance reflects the new changes in the law. In 1998, the number of cases increased to 539 or by 26%. The public defender is paid \$22,000 and receives health benefits at a cost of \$7,321. He also received \$6,480 in additional compensation.

Recommendation:

It is recommended that the public defender be paid by contract and not receive benefits or miscellaneous compensation.

Cost Savings: \$13,801

MUNICIPAL COURT

While the team recognizes the separate authority and responsibility of the judicial branch of government, we have made the following comments and recommendations in an effort to provide Millville with information on current and potential operations, procedures and programs available to the court. Recommendations are made with the knowledge that some will require further review and approval by the appropriate vicinage.

General

The team observed a number of court proceedings, toured the facilities and interviewed essential persons working in or directly associated with the municipal court. It appears to the team that the court is administered in an effective and efficient manner. The operation is well-managed and organized with a cohesive group of customer-service-oriented employees. The municipal court went on line with the Automatic Ticket System (ATS) in 1989 and the Automated Complaint System (ACS) in 1993. The court session is held in a public safety building auditorium. The room has a capacity of 98. The docket typically has 200 cases, including cases that may be adjourned or dismissed. The court facility appears accessible for the physically handicapped, and large enough to handle the number of persons attending each session.

In 1997, the court collected \$929,224 in revenue. The city retained \$376,669 of this revenue; the balance was disbursed to state and county agencies. The court disposed of 13,181 complaints and added 12,271. The caseload has increased for 1998 by 900 cases.

In 1998, the court collected \$809,336 in revenue. The city retained \$380,083 of this revenue. The court disposed of 14,085 complaints and added 13,297.

The salary and wages for the municipal court budget was \$378,064. The other expenses were \$26,353 for a total expenditure of \$414,417. The court operated at a loss of \$37,748 for FY1998. Additional expenses for 1999 shall be incurred with additional court security personnel that may increase the operating deficit further. The police department provides class one and class two special law enforcement police officers. The municipal court also employs a private court attendant at a salary of \$7,000 annually.

Organization/Structure

It appears that the municipal court is an well-organized operation. The court is able to accommodate competing demands in a flexible and professional manner. The court proceedings start promptly and continue until all of the cases on the docket are completed.

Staffing

The municipal court currently has a staff 5.5 full-time employees. The court administrator is responsible for all financial transactions in the department. Along with the court administrator, there is one deputy court administrator, three full-time clerical support staff and one part-time seasonal person. One of the clerical staff has to dedicate four days a week to the arraignment process presently in place. In 1997, the judge handled 176 court sessions. In 1998, the judge handled 221 court sessions. Sessions are normally held on Mondays and Thursdays with special

sessions held as necessary for DWI, city ordinance, midnight shift police officers and other special events. When the judge or the prosecutor is not available for the assignments, substitute personnel from other jurisdictions are assigned. The substitute judges are paid \$210, and the prosecutor and the public defender \$180 per session. The present court administrator has an active “hands on” role with the day-to-day operations of the court. The presiding judge is appointed every three years.

Other Support Staff

There is a city prosecutor present for all of the criminal and traffic court sessions. The city prosecutor was prepared for his cases and ready to proceed on all matters. The prosecutor also handles the record management pertaining to the discovery process and some probable cause situations regarding the police department. The prosecutor is paid \$33,000 and receives health benefits. The direct position value is \$43,948.

Recommendation:

The team recommends that the city explore the feasibility that the prosecutor receive a professional contract for his services thus eliminating the pension and health benefits.

Cost Savings: \$15,788

Court security is provided by class one and class two special police officers. The municipal court employs a retired police officer as a bailiff. The team learned of the need for additional security personnel due to 20 - 30 detainees being arraigned on each of the court dates. Due to this high volume of detainees, additional security must be provided. The Cumberland County Sheriff's Office provides the transportation and some of the additional security for these detainees. The team observed there was no area in the courtroom for detainees to sit and be segregated from the general public. Our observations were that the detainees' presence and demeanor can disrupt the day-to-day operations of the court. Additionally, the city is subject to a higher risk of liability due to the detainees' proximity to the public. Reportedly, on one occasion, a detainee jumped through the second floor glass window to the first floor pavement.

The team feels that, due to the above, the Video Closed Circuit Television (CCTV) arraignment program should be implemented in the City of Millville. Recently, the municipal court CCTV arraignment program was implemented in the Atlantic County Detention Center. This is a pilot program that may be approved by the Administrative Office of the Courts (AOC). This CCTV arraignment program has many advantages as it overcomes the limitations of time and distance. This program allows detainees to be arraigned in Atlantic, Cape May, and Cumberland County Detention Centers, along with the State Prison Authorities. The video allows the municipalities to lessen the time, money and workforce required for arraigning prisoners, while at the same time increasing security. Some of these programs have been in effect since 1997. The training program takes less than two hours per employee for this type of system. The court had 176 court sessions. Each session is 4 hours. Each special law enforcement police officer is paid an average of \$17 an hour. Since the need for the special officers would be negated, the annual productivity enhancement would be \$30,976. In addition to these savings, the clerical staff person presently

assigned to the detainees' documentation could then dedicate her time to other clerical functions within the municipal court.

Recommendation:

It is recommended that the city explore the feasibility of installing and implementing the CCTV procedure for the Millville City Municipal Court.

One-time Value Added Expense for the CCTV: \$27,463
Productivity Enhancement (ongoing): \$30,976

In addition to these Millville City Special Law Enforcement Police Officers' savings, the Cumberland County Sheriff's Office would save on its staffing levels and transportation costs for the 20 - 30 detainees for each of the court sessions. These savings would be passed along to the taxpayers in the city of Millville and Cumberland County.

Case Management

A significant factor affecting the court operation is the fact that the city receives a variety of summonses from agencies, including the New Jersey State Police (NJSP), the NJSP Marine Division, Department of Environmental Protection (DEP) Division of Fish, Game and Wildlife, the fire and building inspectors, code compliance, weights and measures and the local police. On occasion the court accepts complaints directly from private citizens. The various functions in the court such as entering complaints, scheduling cases, cashiering, producing failure to appear notices, and warrants for arrest are delegated by the court administrator to the staff. The staff is well-trained in its areas and cross-trained adequately.

The court is on line with the Automated Ticket System (ATS) and the Automated Complaint System (ACS) from the State Administrative Office of the Courts (AOC). The ATS/ACS computers provide elaborate record-keeping and case-tracking for the city and the state judicial system. The staff appears very knowledgeable in the various features of the system. Both the municipal court judge and the court administrator are very cognizant of the management system report issued by the ATS/ACS.

The current caseload per month per employee is 218 cases. Many factors affect the ability of a court staff to process cases. Foremost is the mix of parking, moving violations and disorderly person (criminal) cases. Other factors include training, experience and diligence of the staff. LGBR has reviewed other well-run municipal courts with monthly per person caseloads of 400 - 600. However, these courts are handling primarily parking violations and other traffic violations. We conclude that the court's staffing level is appropriate based on the mix of summonses presently handled.

In 1997, the management reports show the average case disposal rate for traffic and the criminal to be 108% indicating that the staff is effectively using the ATS/ACS computer system. Over the past five years, the traffic violations have decreased and the criminal cases have increased.

Finance

The municipal court is receiving interest on both the bail and the fines and costs account.

Time Payments

From time to time defendants are unable to pay fines assessed in court. In these cases, the judge may allow a defendant to make periodic payments. These payments are called “time payments”. In many courts, time payments become delinquent requiring aggressive follow-up by the court staff. In reviewing the time payment accounts of the city, the team found that the “time payments” continue to grow, despite efforts by the court administrator to collect. The judge questions each defendant concerning his/her candidacy for the time payment program, and reviews the consequences should the defendant fail to comply with the program. From July, 1997 to July, 1998, the outstanding amount rose from \$566,482 to \$729,531. The court administrator freely admits that the Millville City Municipal Court needs some type of assistance to rectify this situation.

The Millville Court may be a candidate for the Comprehensive Enforcement Program (CEP). The CEP may target collections on “time payments” or past due accounts involving fines, costs and bail. According to the legislative guidelines regarding the program, CEP keeps 25% of the amount collected. This 25% paid to the CEP is charged proportionally to the state agencies by the participating municipal court. On some occasions, the CEP may issue a civil judgement or lien against the defendant on the set of circumstances. We estimate that 20% of the uncollected time payment orders could be located and payment made. Approximately 40% of the collections would be retained by the city. Millville may apply to the AOC for participation in this program to assist it in locating defendants who have failed to make the required payments and have not responded to the regular collection methods.

Recommendation:

It is recommended that the city file an application with the Administrative Office of the Courts (AOC) to participate in the Comprehensive Enforcement Program for the collections of delinquent funds.

Revenue Enhancement: \$38,476

Retention of Records

Many of the documents held for retention by the court staff are not stored at one central location. Instead, the records are scattered throughout the office at many different locations. In fact, some of the records are stored in the prisoner/detainee holding cellblock.

Recommendation:

The team recommends that the governing body review with the judge and the court administrator a centralized location for these records. In addition, the court administrator should contact the division of archives for assistance. The city should stop using the prisoner holding cellblock for the storage of records, and immediately begin to use this

facility for the security of detainees so as not to compromise the safety of the court staff or the general public.

ENGINEERING

The city has significant staff resources in the department of engineering, the department of planning and community development, and the bureau of inspections. The engineering department has eight full-time employees, planning has six full-time employees and the bureau of inspections has six full-time and one part-time employees. The organizational structure in these departments is heavily weighted with supervisory and management level staff. Engineering averages one supervisor for every 1.6 persons, planning has one supervisor for every two employees and inspections has one supervisor for 5.5 persons. Following here is a review of each of the departments, with recommendations for the consolidation of staff and functions into two, rather than three, departments.

The city engineering department has eight full-time employees: the municipal engineer, two assistant municipal engineers, two principal engineering aides, a senior engineering aide, a senior drafting technician and a senior clerk typist. In calendar year 1998, salary and wages, including benefits, totaled \$482,489, with overtime payments of \$4,538, and other expenses of \$39,412, for a total expenditure of \$526,439. During 1998, the department had one employee, an inspector, transferred to public works. This position was not replaced.

General

The engineering department is involved in a wide variety of projects and works jointly with other departments on additional projects. It prepares plans and specifications, handles design work, land surveying, construction layout, construction inspection, Computer-Aided Design (CAD), preparation of display boards, etc. The plans and documentation prepared by the department appeared professional and the overall department organized. One exception would be the file and map storage room, but this will be discussed elsewhere in this section.

In addition to the engineering and related work performed in-house, a review was done of the city's professional service contracts related to engineering work. The team found that the contracts were for technical engineering services and other skills of a very specific nature, which demanded a level of expertise not found within the engineering department staff. This is not an unusual circumstance. It would be very costly for a department to have an engineer, or such other professionals, on staff trained in all possibly needed disciplines.

Staffing

In addition to the city engineer, who is a licensed professional engineer, the city has two assistant municipal engineers, neither of whom is a licensed engineer. One of the assistant municipal engineers has an office at the city's water/sewer utility office, and focuses on environmental issues and DEP compliance for the utilities. He is paid 100% out of utility revenues. The second assistant municipal engineer position was created within the last two years. This position is responsible for supervising the department's civil engineering and project management work.

There are two principal engineering aides. One has an engineering degree and has engineer-in-training (EIT) certification. The other engineering aide is a licensed surveyor. Having a surveyor on staff provides the department with an important level of expertise. In addition, it has helped to reduce the number of professional service contracts for surveying and construction layout work, particularly given the volume and type of work this department is performing, both on its own and with other departments.

The department's organizational structure, which includes a city engineer and two assistant municipal engineers, provides three management level positions to supervise the remaining five engineering employees. One of the reasons for this top heavy organizational structure appears to be the location of one of the assistant engineers off-site at the utility offices. Based upon information provided to the team, there does not appear to be substantive reasons for having this person physically located at the utility office. While this office appears to provide a very professional service to the city, the team believes reducing the number of supervisory level positions would enable it to provide such service more economically.

Recommendation:

It is recommended that one of the assistant municipal engineers titles be eliminated, since there is no need for multiple supervisory assistants in this size department. The position could be better filled by a mid-level engineering title to better assist with the day-to-day department operations.

Cost Savings: \$20,000 in salary costs

Another option would be the elimination of one of the assistant municipal engineer positions, in turn adding one or two entry-level staff persons to assist with survey and inspection field work, tax map updates, as well as assisting with CAD and other drafting work. During discussions with the staff, the need for additional inspectors/field workers was mentioned to the team repeatedly.

The licensed surveyor is also used to perform road inspections since the department is short-staffed in this area. In discussions with various members of the staff, the team learned that the city tax maps, which are required to be updated on an annual basis, are not updated as they should be. Using a licensed professional surveyor to perform routine road inspections is not the most efficient or effective use of this individual's time and expertise. As was previously mentioned, discussions with the staff indicated that additional assistance is needed for the inspections as well as to assist the survey crew with fieldwork.

Recommendation:

It is recommended that the department more appropriately allocate staff resources for the professional work to be completed by the department.

The city has a professional service contract with a firm specifically to digitize the city's tax maps. To date, the city has had difficulty in obtaining the final product from the firm. Other LGBR

reviews have also noted the difficulties that municipalities are having in attempting to digitize the tax map information. The city might consider obtaining the necessary equipment and resources to perform this work in house. When the amount of staff time dedicated to this project is taken into consideration, the city resources allocated to this project increase the overall cost to the city significantly.

PLANNING AND ECONOMIC DEVELOPMENT

The planning and economic development office has a staff of six: the director, assistant director, housing rehabilitation coordinator, zoning officer and two clerical support persons. In calendar year 1998, salary and wage costs totaled \$272,723, with benefits of \$72,608, and other expenses of \$29,915, for a total expenditure of \$375,246. The table of organization provided to the team indicates a chief loan advisor position on staff. The team was informed that this individual handles the Neighborhood Preservation Program (NPP). The office is located elsewhere in the city. It is funded through multiple sources including the housing authority, the city, the board of education and local private business. Funding for the majority of staff positions in this office is through the Community Development Block Grant (CDBG) and Urban Enterprise Zone (UEZ) programs.

The planning and economic development office handles a variety of programs and responsibilities including the Community Development Block Grant Program, Urban Enterprise Zone Program, planning board, zoning board, economic development, and housing rehabilitation. Each of these areas will be discussed separately. The city also works jointly with the Cumberland County Planning Board. The city has been involved with the Cumberland County Planning Board on various regional-planning initiatives. The County Planning Board was responsible for submitting grants to the federal government for the Empowerment Zone funding and to the US Environmental Protection Agency for designation as a Brownfields Pilot Program. Both of these grant proposals included the City of Millville in some fashion.

Staffing

As was mentioned above, this office has a staff of six, whose office locations are split between two different floors. The director, assistant director, and one clerical person are located on one floor, while the planning/zoning board secretary, zoning officer and housing rehabilitation coordinator are located on another floor. Based on the team's observations, it appears the split in office locations has resulted in the department having two full-time clerical positions, which does not appear necessary for a department of this size, function, and workload. This office would be adequately served with one clerical staff person. One of the clerical staff also acts as the secretary to the planning and zoning boards, which is not a full-time position. That function could easily be handled by a part-time position, allowing the elimination of a full-time staff position. See planning and zoning section for more details on this segment of the office function. In light of the team's recommendation in the engineering section of this report, which is to combine the planning and economic development office into the engineering department, the elimination of one clerical position would still provide for two full-time clerical staff in the larger combined department.

Recommendations:

It is recommended that the functions of this office be transferred to the engineering department. (See engineering section for more information on this recommendation.)

It is also recommended that one clerical position be eliminated in this office.

Cost Savings: \$44,701

Budget/Department Expenditures

A review of the budget account status reports for fiscal years 1997 through 1999 provided some surprising “trends” in the budget of the department. In all three fiscal budget years there were over-expenditures in numerous line items, including postage, office supplies, conference expenses, traveling expenses, dues and subscriptions, telecommunications, and miscellaneous. Many of these were repeat over-expenditures year after year. In the category “miscellaneous” for which a detailed breakdown was not provided to the team, the over-expended amounts were \$8,163 in 1997, or 333% of what was originally budgeted, \$6,362 in FY1998, 185% of the budgeted amount (due to a mid-year transfer of funds), and \$5,664 in FY1999, or 327% of the budgeted amount. While the total overall expenditures for the department did not exceed the original budgeted amount, these over-expenditures, particularly the numerous repeat over-expenditures, could be addressed and eliminated through better budgeting by the department.

Recommendation:

It is recommended that the budget/finance office personnel assist the planning and economic development office to understand the rationale behind a budget process, the need for accurate budgeting, and the need to avoid unnecessary over-expenditures, which have become a routine occurrence in this office.

Community Development Block Grant (CDBG) Program

The CDBG program is one of the largest sources of grant funds for the city. The city is a direct recipient of the funds and uses the largest portion of the funding for housing rehabilitation and administrative costs for employee salaries. For the 1999 CDBG Program year, the city is to receive \$383,000, with an additional \$12,000 from program income, for a total of \$395,000. A review of the proposed budget for the program provided the following proposed expenditure of funds.

1999 Entitlement	\$383,000	
Estimated Program Income	\$12,000	
Total Available	\$395,000	
Program Element	Funding	Allocation of Funds (%)
Public Services	\$57,500	15%
Housing Rehabilitation	\$183,500	46%

Commercial Rehabilitation	\$14,000	3%
Public Facilities	\$50,000	13%
General Administration	\$80,000	20%
Planning	\$10,000	3%
Total Allocated	\$385,000	97.5%

A review of the One-Year Action Plan provided a detailed breakdown of the proposed expenditures. Of the total amount, \$80,000 is allocated for general administration including staff salaries. In addition, of the \$183,000 housing rehabilitation budget, \$80,000 is allocated for staff salary and administration costs. (See section of housing rehabilitation for more information on this program.) Another \$10,000 is allocated for planning purposes, to hire consultants to prepare plans for various redevelopment initiatives according to information provided by the staff.

Housing Rehabilitation

Millville's Housing Rehabilitation program primarily provides funding for minor repairs as well as major rehabilitation of owner-occupied, single family homes. Sub-programs included under the overall rehabilitation program are the Paint Program, Elderly and Disabled Accessibility Program, and Rental Rehab. Funds for this program come from HUD-CDBG, HUD-HOME, NJ Housing and Mortgage Finance Agency Urban Home Ownership and Rehabilitation Program (UHORP) and NJ's Balanced Housing Program. Applicants to the program must meet federal HUD low-income guidelines.

Staff indicated that approximately 50 applications per year have been funded and that annual funding is inadequate based on the city's current and projected needs. LGBR notes that \$80,000 is budgeted for general administration purposes. When that amount is subtracted from the \$183,000 Housing Rehabilitation budget, the average amount spent per project is \$2,070. Emergency applications are sent to the top of the list and handled as quickly as possible. The current waiting list consists of nearly 300 approved applications according to the program's coordinator, and the team also learned that the waiting period for the rehabilitation program was approximately five years. It was unclear to the team why the city continued to take and process applications for a program that was so seriously lacking in funds that a five-year wait list, with hundreds of applications, would be created.

Recommendation:

In order to accommodate the current waiting list of nearly 300 applications, the city should reduce administrative expenses and reallocate those funds to complete more projects on an annual basis.

The program as described to the team provides for grants under \$5,000. There are cases where funds will be provided up to \$20,000. However, based on the city's policy for this program, they try not to exceed \$5,000. A lien is placed on the property after the improvements have been completed, and the money is repaid to the city upon the sale or transfer of the property. It was mentioned to the team that there have been occasions where the lien on the property has been

forgiven. There were no formal guidelines for forgiving such liens and the exact circumstances were not provided to the team.

Recommendations:

It is recommended that if the city believes there are circumstances that would warrant forgiving the housing rehabilitation loans, a policy decision be adopted outlining such circumstances. It should not be a staff decision as to when a loan is forgiven or enforced upon sale or transfer of a property.

It is also recommended that the city reconsider the terms of repayment of the loans. Since the city rehabilitation program has been so seriously underfunded for the amount of work identified, the city might consider repayment terms that were “doable” based on the applicants’ earnings.

It appears that the efforts put into reviewing the applicants’ qualifications, and performing the initial inspections, were essentially busy work. The team was informed that the applications would have to be re-reviewed, once the money became available. This would be due to possible changes in circumstances of the original applications/applicants. For instance, in a number of prior cases the city dealt with, the original improvements applied for changed in the three to five years applicants were waiting, the cost of the improvements subsequently went up, and the applicants’ income eligibility needed to be re-verified.

It was apparent to the team that based on the funding which had been available to the housing rehabilitation program, a full-time coordinator was not warranted. The city, during the time of this review, was awarded a HUD Section 108 loan of approximately \$1.5 million dollars. According to staff, this money, which will be spread over a number of years, will be used to help the city “catch-up” with the applicants on the waiting list. With the additional HUD money the city is to receive, a full-time coordinator might actually be necessary. However, a detailed job description and workload assessment should be performed to determine the appropriate staffing for the positions in this program. The city intends to hire additional staff to expend the HUD Section 108 funds over a three-year period. Staff hired under this funding source would necessitate the city’s finding an alternate funding source after the three-year period, using the city’s current fund to pay those salaries, or necessitate a layoff of those employees.

Recommendation:

It is recommended that a workload and staffing analysis be performed for this program to determine an accurate staffing level.

The team was informed that the city intends to hire additional inspectors for the program. Discussions with members of the UCC/Inspections office disclosed that even after housing rehabilitation inspectors have inspected potential units for rehab, that UCC licensed inspectors are required to inspect improvements that have been made to properties. This requires two final inspections. If the inspectors hired were appropriately licensed, one of the final inspections could be eliminated.

Recommendations:

It is recommended, as is mentioned elsewhere in this report, that any existing inspectors, as well as additional inspectors, be placed under the direction of the bureau of inspections.

It is also recommended that inspectors hired for housing rehabilitation be licensed building inspectors in order to limit the number of final inspections that need to be done.

Planning Board/Zoning Board

The city holds planning board meetings separate zoning board meetings once per month. The planning board secretary also acts as secretary for the zoning board and the housing rehabilitation program. According to information provided to the team by the zoning officer, the zoning board averages about one case per month. He felt this was partially due to the city's keeping its master plan and zoning map/ordinance updated and in keeping with the city's plans. The city's planning board is more active.

After discussions with the various staff members involved in the review process, the team was unclear as to the actual process by which planning board and zoning board applications are received, processed and reviewed. The secretary to the boards accepts the applications submitted. Applications to the zoning board are reviewed by the zoning officer as well as by the zoning board attorney.

Recommendation:

It is recommended that since there are adequate professionals on staff, an engineering/planning staff member be assigned to perform the initial reviews of the applications and plans submitted, eliminating the need for the zoning board attorney to perform the actual application review.

Communities are allowed, under the Municipal Land Use Law, to use funds placed in "escrow" to pay the costs borne by the city for the review of applications and plans. The team was informed that the city does not routinely hold escrow funds on applications, and that the city usually charges only "major" applicants/applications. When the team asked for the definition of "major applicant/application," it was informed that there was no set definition or policy regarding who was or was not charged escrow fees.

Recommendation:

It is recommended that the "department/office" responsible for calculating and charging review escrow amounts, do so according to the city's land use ordinance. The current "department/office" policy of indiscriminately charging escrow should be discontinued immediately. If the city desires to restructure its land use ordinance to specify applicants to be or not to be charged, then it should do so and adhere to the ordinance as it is, or as it will be written.

Planning board applications related to subdivisions were also reviewed by the zoning officer, while it appeared to the team that a good portion of the applications go to the engineering department. The engineering department had a detailed list of applications under review, improvements to be installed and a status of all active projects. In addition, the team learned that it is a member of the engineering staff that regularly attends planning board meetings, not other members of the planning staff. Based on staff discussions, it does not appear that the city's planner, who also functions as the director of planning and economic development, reviews applications submitted or attends routine meetings. The "division" of the planning staff, due to its being located on separate floors, appears to contribute to the confusion on the application review process. The engineering department's primary involvement in this process provides additional rationale for folding the planning and economic development office into engineering. Engineering could then provide the structure for the application review process, which is currently lacking.

Recommendation:

It is recommended that the city appropriately charge staff review time, as is allowed by the Municipal Land Use Law, to escrow monies collected for such purpose.

It appears that there is no need for a full-time secretary for the planning and zoning boards. Given the limited number of meetings of the zoning board, the city might consider consolidating their planning and zoning boards into one board. This would require a referendum. Such action would reduce the number of meetings from two per month to one, reduce staff time necessary to attend meetings, and reduce legal fees associated with one of the boards. The team requested copies of the professional service contracts for the planning and zoning board attorneys, but this information was never provided. Calculating cost-savings related to legal services was not possible without this information. Verbal information provided to the team indicated that the zoning board attorney charged \$200 per meeting plus expenses.

Recommendation:

It is recommended that the city consolidate the planning and zoning boards into one board due to the very limited number of zoning board applications it receives.

Cost Savings: \$2,400 & other legal expenses

The zoning officer also acts as an inspector for the housing rehabilitation program. Other inspectors for the city are located in the bureau of inspections/UCC office. Due to the duties associated with the housing rehabilitation program, as well as the limited amount of work related to zoning duties, the team feels this position would be best located in the bureau of inspections. This would make another person available for inspections related to code enforcement, and the rental housing inspection program. The bureau of inspections would have to work closely with the housing rehabilitation program to insure those inspections are being performed in a timely fashion. See the housing rehabilitation section for more detailed information.

Recommendation:

It is recommended that the zoning officer/housing rehabilitation inspector position be transferred to the bureau of inspections.

Economic Development

Vital to the health of any city is its economic structure and function. The potential for economic growth in a community is directly tied to its local economic development efforts to attract new employers and create opportunities for existing firms to expand, the delivery of public services, and supporting infrastructure. The options and opportunities available to the City of Millville and to businesses locating there are substantial and include programs such as the Urban Enterprise Zone (UEZ), Foreign Trade Zone (FTZ), and Empowerment Zone. Supplementary to these, the availability in Millville of a sound educational system and attractive housing for potential employers and employees, are also important in attracting quality businesses to a community.

The City of Millville started as an industrial mill town, and the core of Millville's economic base continues to be in the manufacturing sector. The central industries found there today include the manufacture of glassware, textile goods, and ships. The diversification of the industrial base and the expansion of other sectors of the economy are current city economic development initiatives. The city has identified the importance of diversification to the health of the economic development community.

The city demonstrates trends similar to those occurring on the national level. In comparing the changing composition of employment by sector in the city since 1960, it shows that wholesale and retail trades, finance, insurance and real estate, and public administration have grown while manufacturing has lost ground. Interestingly, Cumberland County is considered one of the "least-cost" locations for manufacturers and "back-office" operations for insurance and finance companies who need to remain in the Northeast, which positions Millville as an attractive and cost-effective location.

It appears from the information provided to the team that the staff is not capitalizing on existing programs available in the city, to promote and attract new development. One program in which this was apparent was the Foreign Trade Zone designation at the airport. The city has had this designation, at the former Municipal Airport, for over ten years. Little about the FTZ designation was mentioned to the team as a priority and, other than brief mentions in brochures, no detailed information was available. The city has put together a good deal of "fancy" brochures on the city. However, the director of economic development indicated in interviews that this approach, targeting a more nationally-based audience, has not been successful. The city has also expended a great deal of money on studies by consultants on future economic development strategies. There are quite a number of initiatives in the works, but most are being driven through public funding and the city's acquisition of property. The city has a very high percentage of exempt properties. It appears that its strategy, to own, improve and market properties for sale, is not

working and has resulted in a good deal of property being taken off, and remaining off, the tax role.

Recommendations:

It is recommended that the city do an analysis of the amount of exempt property that it owns, identify marketable properties, and develop a strategy to market and sell the appropriate properties, even on a speculative basis, to get THEM back on the tax roles.

It is further recommended that the city reconsider ITS policy of funding and installing infrastructure improvements for vacant properties, until such time as the existing improved properties have been sold.

Redevelopment Areas

The city's urbanized area includes an older downtown and a suburban office and commercial area near the Route 55 interchange. The downtown area is comprised of downtown, the riverfront, the interchange and the Wheaton Village redevelopment areas. The city recently announced its participation in a public/private partnership in the \$9.3 million Glasstown Redevelopment Project which it believes will bring 100 permanent new jobs and tax ratables to the city along with an improved quality of life. The city's contribution of \$2.3 million is for infrastructure in the riverfront/downtown area that the city had earmarked for improvement. The city is anticipating various sources of revenue for repayment of the contribution, including repayment of loans from the revolving loan fund, and grants from the department of housing and urban development.

LGBR notes that the city spent several years, across separate city administrations, purchasing riverfront property, cleaning up contaminated sites, and investing in downtown beautification efforts that culminated in the Glasstown Redevelopment Project. However, as was mentioned previously, the percentage of city-owned property is very high and more needs to be done by the city to divest itself of such ownership and get these properties back into private ownership.

Urban Enterprise Zone (UEZ) Joint Zone with Vineland

The City of Millville is designated as a "joint" Urban Enterprise Zone with the City of Vineland, pursuant to a joint application approved by the Urban Enterprise Zone Authority of the State of New Jersey on October 25, 1985. The Millville-Vineland UEZ was the state's first joint UEZ. An expansion of the boundary lines of the Vineland-Millville Joint Urban Enterprise Zone was approved on July 12, 1989, and again on November 8, 1995.

Pursuant to the provisions of the New Jersey Urban Enterprise Zone Act, the governing body of a qualifying municipality may create a nonprofit corporation to formulate and propose a preliminary zone development plan. Upon its creation, the corporation must agree to coordinate and administer the activities of the municipality, businesses and community organizations within the designated urban enterprise zone.

The board of directors of the Zone Development Corporation consists of nine members, including the mayors of Millville and Vineland. Funds generated by the City of Vineland are available to Vineland, and funds generated within the City of Millville are available to Millville.

Business must generate new employment annually to qualify for zone status. Incentives offered to businesses include tax abatement, unemployment insurance and job training benefits, prioritizing for state funding, and the ability to charge a reduced sales tax. Qualified businesses can purchase supplies or construction materials without state sales tax being charged.

Millville Economic Development Corporation (MEDC)

The MEDC was created in 1993 and actually up and running in 1994 according to staff interviews. The office has been funded with Urban Enterprise Zone funds. During the course of the team's review, the city, in response to the decline in Urban Enterprise Funds (UEZ) it receives annually, opted not to continue to fund the staff/office for the Millville Economic Development Commission. During interviews with city staff, it became apparent to the team that there was overlap and duplication of effort between the MEDC and the city's economic development staff.

Due to this duplication of effort we support the city's decision to eliminate the staff positions and reallocate these funds. The assistant director of the planning and community development office has the primary responsibility of handling the city's portion of the UEZ program. The team believes that the planning and community development office can pick up the programs formerly handled by the MEDC. An additional staff person may be needed to help further develop existing programs and create new ones.

The MEDC purchased properties, to be redeveloped, in the city. It was not clear, after the MEDC was disbanded, what was going to happen to the properties it had purchased.

Regional Initiatives

Cumberland County and its urban communities have been working successfully on a number of regional "initiatives" and provision of services. The library cooperative that exists is just one successful example of how the communities and county are working together to provide the best service possible to their residents. The Cumberland County Planning Board has been instrumental in putting together regional initiatives, which have included the City of Millville as well as the other urban communities. In addition, the Cumberland County Improvement Authority purchased a vacant building in downtown Millville and is renovating it for its new office space.

One of the most significant applications the county coordinated and submitted was to the US Housing and Urban Development Empowerment Zone Program. The County Planning Board, with the assistance of the Cumberland County Improvement Authority, worked together to create a successful application. The application included a limited portion of Millville, which included the Millville Airport area. There were limited areas of the city that could be included since the city did not meet the poverty criteria necessary to have included a larger land area or target neighborhoods.

The Cumberland County Planning Board coordinated and submitted an application to the US Environmental Protection Agency's National Brownfields Pilot Program on behalf of the cities of Millville, Vineland and Bridgeton. While the application was not successful during the first round for which it was submitted, the county intends to resubmit its application for future rounds.

We commend the county and the city for the regional initiatives they have jointly undertaken, and encourage them to continue to work together.

MUNICIPAL AIRPORT

The city has owned and operated the approximately 1,100 acre Millville Municipal Airport since 1947, one of fourteen publicly-owned airports in the state. The airport is New Jersey's second largest general aviation airport and includes a lighted 5,000 by 150 foot runway and a 6,000 by 150 foot runway with a full instrument landing system, a class three heliport, and 41 active leases, and employs 1,456 people with a combined payroll of \$32 million.

At the time of our review, the city employed an airport manager, a senior maintenance worker, and an account clerk. The manager is responsible for leasing and managing all land and the 86 buildings at the airport complex. The city is entering into a 30 year lease agreement (with two 30 year renewal terms) at \$1 per year with the Delaware River Bay Authority (DRBA) who will operate and maintain the airport by September, 1999. In return, the city will receive \$1.3 million in reimbursement for airport capital expenditures. In addition, the city will receive compensation for items of tangible property, such as equipment. The New Jersey Legislature has authorized and approved the undertaking of the operation and funding of the Millville Municipal Airport by the DRBA pursuant to N.J.S.A. 32:11E-1.7. The DRBA assumes existing debt of the airport facility, along with responsibility for operations, personnel, equipment, infrastructure and maintaining all streets, including those in the industrial parks. The DRBA has the financial resources and staff to market, operate and maintain the facility. FAA grants would probably not be obtained due to the financial strength of the DRBA, thus the DRBA would be directly financing all improvements. This eliminates the necessity of using UEZ funds (over \$350,000) to leverage state and federal grants, freeing these funds for other projects. The city was restricted in the amount of funds available for operation and infrastructure renewal and replacement. The airport had been operating at a deficit for years. Any future net revenues from airport operations run by the DRBA are dedicated to maintain the facility in compliance with FAA regulations and possibly to economic development initiatives at the city.

The DRBA is an economic development agency established to participate in the overall planning for future economic development of the New Jersey/Delaware region. The DRBA operates the Cape May-Lewes Ferry Terminal, and the New Castle Airport in Wilmington, and is negotiating with both Cape May County and Millville City Airport for lease and operation of these facilities. The city will work with the DRBA in marketing the development and aviation opportunities. The DRBA has the resources to develop an extensive marketing strategy to complement the city's economic development plans for that area.

Other opportunities from which the city could derive income includes joint development ventures with the city or other agencies, utilization of the Foreign Trade Zone designation as an attractive locational incentive, and the encouragement of special events such as air shows. All existing city employees would receive offers of employment, including benefits.

The city feels that the positives outweigh the negative of loss of control over the airport facility. There exist at the airport facility environmental concerns relating to storage tanks, solid and hazardous waste, soil and groundwater contamination and other environmental concerns that the city will be responsible for.

SEWER UTILITY

The city maintains a separate sewer utility to process the wastewater. The utility is classified as a secondary treatment facility in that it processes the wastewater and discharges the treated effluent into the Maurice River. The treatment facility, which underwent a major rehabilitation in 1994, has a design capacity of five million gallons per day, but averages a daily flow of approximately 2.7 million gallons. In 1998, the utility processed a total of 990,023,000 gallons of sewage. The utility contracts with the Atlantic County Utilities Authority to haul and dispose of the processed sludge at a rate of \$42 per cubic yard (before deregulation, they were paying \$88.50 for these services). There are approximately 90 miles of sanitary sewer lines within the city, 1,200 manholes, and 15 pump stations. Portions of the wastewater collection system are over 100 years old.

There are a total of 22 employees who work directly for the sewer utility. During the calendar year 1998, the city spent approximately \$874,094 in salary costs and \$252,267 in benefit costs for sewer utility employees. This results in a total salary and benefit cost to the city of approximately \$1,126,361. Along with these personnel, various city hall employees have a portion or all of their salary paid from the sewer utility. This results in an additional \$246,315 in salary costs being charged to the sewer utility. In reviewing the personnel who were charged to the sewer utility, the review team did feel that some personnel were being charged too heavily to the sewer utility budget.

The organization of the utility is as follows (Some titles were shortened):

Administration	Oper. (Sewer Plant)	Maint. (Sewer Lines)	Laboratory Testing
1 Superintendent 1 Assistant Supt. 1 Clerical Assistant	1 Supv. Plant Oper. 1 Sr. Plant Operator 5 Plant Operators 1 Laborer	1 Supv. of Sewers 4 Sewer Repairers 3 Laborers	1 Chemist 1 Lab Tech (Analysis) 1 Lab Tech (Data)

Recommendations:

The city should annually track the amount of time that city hall employees work on sewer utility functions and use that percentage to appropriately charge them to the sewer utility budget.

The review team commends the city for charging salary costs to the sewer utility and taking those costs out of the current fund budget, thus putting the burden on the users of the service and not on the taxpayers. The review team recommends that the city also proportionately charge the cost of the employees' direct benefits to the sewer utility. If the percentage used on salary costs was applied to direct benefit costs, the city could charge an additional \$61,944 to the sewer utility budget for direct benefit costs of city hall employees who spend time working on sewer utility functions. Residents need to understand that this is not a true cost savings. It is a transfer from the current fund budget to the sewer utility budget. For the majority of Millville residents, this could result in a reduction in their tax bill and/or an increase in their sewer charges.

Cost Savings: Approximately \$61,944 in the current fund budget

Financial

The sewer utility is in an excellent financial position. It brings in revenue that covers its expenditures and produces a surplus. In the past two years, the city has begun transferring some of the sewer utility's surplus to the current fund to help cover municipal operating costs. In FY1998, the amount transferred to the current fund was \$385,290. During FY1998, the sewer utility had expenditures of \$3,906,083 and revenues of \$4,450,253. At the end of FY1998, the sewer utility had a surplus of \$2,434,105, which is about the median in the last four years. In the past few years, the utility has obtained collection rates ranging from a low of 96.94% to a high of 107.35% (which percentage includes prior year delinquent collections). Sewer charges are a flat \$85 per quarter for residential units and are based on sewer flow meters for major industrial properties and water consumption for smaller commercial/industrial properties.

In reviewing the utility's financial documents it was noticed that, except for one year, the revenues greatly exceeded budgeted amounts and expenditures were greatly under-budgeted. This resulted in the utility realizing revenues in excess of expenditures on average of approximately \$738,842 per year. This is equal to 18.93% over the average expenditures per year of \$3,903,679. LGBR has used benchmarks that state that these excesses should be no greater than 6% - 8%. The following chart represents the trends stated above:

	FY1994	FY1995	FY1996	FY1997	FY1998
Revenue Budgeted	\$4,037,000	\$4,129,000	\$4,224,250	\$4,336,810	\$4,475,850
Revenue Realized	\$4,524,547	\$4,670,400	\$4,843,201	\$4,724,201	\$4,450,253
Excess/(Shortfall)	\$487,547	\$541,400	\$618,951	\$387,391	\$(25,597)
Approp. Budgeted	\$4,037,000	\$4,129,000	\$4,224,250	\$4,336,810	\$4,475,850
Approp. Realized	\$3,717,658	\$3,952,221	\$3,916,940	\$4,025,491	\$3,906,083
Under/(Over) Budget	\$319,342	\$176,779	\$307,310	\$311,319	\$569,767

Total Revenue	\$4,524,547	\$4,670,400	\$4,843,201	\$4,724,201	\$4,450,253
Total Expenditure	\$3,717,658	\$3,952,221	\$3,916,940	\$4,025,491	\$3,906,083
Total Surplus/(Loss)	\$806,890	\$718,180	\$926,261	\$698,709	\$544,170

Recommendation:

The sewer utility should begin practicing more fiscally responsible budgeting techniques and keep excess revenues to 8% of the total expenditures for any fiscal year. If the utility held the excess to 8% in FY1998, the excess revenues would have amounted to approximately \$234,365 and the utility would have been able to reduce rates by a total of \$309,805. The review team recognizes that these sewer rate savings could result in an increase in taxes, due to the sewer utility not subsidizing current fund budget to the extent currently done. However, reductions in excess spending in the current fund budget could prevent any increase.

Cost Savings: Approximately \$309,805 in the sewer utility budget

As stated above, the utility maintained a surplus balance on June 30, 1998 of \$2,434,105. The following chart represents the end of year surplus balances for the past five years:

FY1994	FY1995	FY1996	FY1997	FY1998
\$1,574,433	\$2,197,770	\$2,773,715	\$2,827,123	\$2,434,105

The average surplus balance for these five years was \$2,361,429. Based on the past five year average expenditures of \$3,903,679, the utility is maintaining surplus balances of 60.50% of the average expenditures. Again, LGBR has used benchmarks that state that surplus balances should be no greater than 6% - 8% of the total expenditures.

Recommendation:

The sewer utility should keep surplus balances to approximately 8% of its total expenditures. If this was done for FY1998, the utility should be maintaining a surplus of approximately \$312,294. This results in approximately \$2,121,810 in excess funds that could be used to reduce rates or pay for upcoming capital expenditures without having to bond for them. The review team recommends that the utility reduce its surplus funds by \$2,121,810 over a five year period (\$424,362 per year) so that there won't be any major changes in rates over a short time period.

Cost Savings: Approximately \$424,362 per year

Preventative Maintenance

The utility is currently drafting a preventative maintenance program for its pumping station and sanitary sewer lines. The utility had previously acted in a reactionary fashion to its sewer system.

The utility recently purchased a video van to survey sewer lines for problems before they occur (Inflow & Infiltration) and it also has a Jet Rodder, and will be purchasing a vacuum truck, to clean out blocked sewer lines. The utility averages between 25-30 emergency situations each month and it hopes that this number will be reduced by the systematic approach to keeping the system in good working order. The utility is searching for a computerized tracking program for the preventative maintenance program.

Recommendation:

LGBR fully supports and encourages the utility to create a systematic preventative maintenance program for its sewer system. This should also include the storm sewer system that is maintained by the streets and roads division. LGBR contends that capital expenditures on maintenance greatly reduces future capital costs.

Plant Operations

The utility currently has four of the five sewer plant operators covering the sewer plant for 24-hours per day, seven days per week. The employees work a five on, one off, five on, two off, five on, two off schedule that results in a work year of 2,190 hours. Because this schedule requires the employees to work on Sundays, there is a contractual arrangement that pays the employees an additional four hours each Sunday worked at their overtime rate. Over a one-year period this structural overtime totals approximately \$14,206. These four employees work rotating shifts in order to make the schedule work.

These employees are responsible for maintaining the plant, doing the required NJDEP sampling during different hours of the day, and recording/responding to system problems without always having to call additional personnel in on overtime.

If the city desired, the utility could staff the sewer plant with three full-time operators and two part-time operators (24 hours per week without benefits) and save approximately all \$14,206 in overtime costs and \$5,087 in salary costs. The reduction in salary costs comes from the three full-time employees working 110 hours less per year (5% reduction). This calculation was based on paying \$15 per hour for the part-time services, since these personnel would be required to work weekends. The cost of hiring two part-time employees was approximately the same as the position value of the lowest paid operator. Under this scenario, the utility could schedule the full-time employees on straight shifts and require the part-time employees to work two days on one shift and one day on another shift. Additionally, the city would have to negotiate out the clause of paying an additional four hours per Sunday for full-time employees, since one employee would be required to work each Sunday.

Recommendations:

Reduce the number of full-time operators by one position and hire two part-time operators at 24 hours per week without benefits.

Cost Savings: \$37,620 in salary and benefit costs of full-time operator

**Approximately \$14,206 in structural overtime costs.
\$5,087 in salary costs due to 5% reduction in workload.
Value Added Expense: \$37,440 for two part-time employees at \$15 per hour**

Work to eliminate the clause in the collective bargaining agreement that provides for four hours of overtime above the normal hours worked on Sundays.

WATER UTILITY

The city maintains a separate water utility to provide potable water to the residents of Millville. The utility gets its water from nine wells pumping from two aquifers around the city. These wells range in depth from approximately 105 feet to 292 feet. The water utility has a pumping capacity of 8.5 million gallons per day, but averages a daily amount of 3.6 million gallons according to 1998 reports. During the summer months the average water usage climbs to about 5.3 million gallons per day. The utility has a reserve storage capacity in tanks of 5.95 million gallons, with the ability to pump 2.5 million gallons per day on auxiliary power. The utility maintains approximately 100 miles of water mains ranging from 6 to 24 inches and 1,000 fire hydrants. According to 1998 reports, the utility services approximately 7,210 connections within the city.

There are a total of 15 full-time employees, one seasonal employee, and two summer employees who work directly for the water utility. There are also two employees who have been transferred to the streets and roads division operationally, but their salary and benefit cost of \$84,842 is paid out of the water utility budget. During the calendar year 1998, the city spent approximately \$631,738 in salary costs and \$174,808 in benefit costs for the 15 full-time water utility employees and approximately \$10,646 for the part-time employees. This results in a total salary and benefit cost to the city of approximately \$817,192. Along with these personnel, various city hall employees have a portion or all of their salary paid from the water utility. This results in an additional \$203,494 in salary costs being charged to the water utility. The two employees not working in the water utility should have their salary and benefit costs transferred to the current fund budget.

The full-time organization of the utility is as follows (Some titles were shortened):

Administration	Operations	Distribution (Water Mains)	Meters
1 Superintendent 1 Assistant Supt. 2 Clerical Assistant	1 Supv. Plant Repairer 1 Sr. Pump Stat. Oper. 1 Pump Station Oper.	1 Assistant Supv. 3 Sr. Water Repair. 1 Water Repairer	1 Sr. Meter Repairer 1 Sr. Meter Reader 1 Inspector/Repairer

Recommendation:

The review team commends the city for charging salary costs to the water utility and taking those costs out of the current fund budget, thus putting the burden on the users of the

service and not on the taxpayers. The review team recommends that the city also charge the proportional costs of the employees' direct benefits to the water utility. If the percentage used on salary costs was applied to direct benefit costs, the city could charge an additional \$51,157 to the water utility budget for direct benefit costs of city hall employees who spend time working on water utility functions. Residents need to understand that this is not a true cost savings. It is a transfer from the current fund budget to the water utility budget.

Cost Savings: Approximately \$51,157 in the current fund budget

Financial

The water utility is in an excellent financial position. It regularly brings in enough revenue to cover its expenditures and produce a surplus. In the past two years, the city has begun transferring some of the water utility's surplus to the current fund to help cover operating costs. In FY1998, the amount transferred to the current fund was \$201,586. During FY1998, the water utility had expenditures of \$2,443,347 and revenues of \$2,737,847. At the end of FY1998, the water utility had a surplus of \$1,343,538, which is about the median in the last four years. In the past few years, the utility has obtained collection rates ranging from a low of 97.40% to a high of 104.23% (percentage includes collection of prior year delinquent charges). Water charges are based upon consumption and size of pipe.

In reviewing the utility's financial documents it was noticed that, except for one year, the revenues exceeded budgeted amounts and expenditures were greatly under budgeted amounts. This resulted in the utility realizing revenues in excess of expenditures on average of approximately \$500,536 per year. This is equal to 23.10% over the average expenditures per year of \$2,166,680. LGBR has used benchmarks that state that these excesses should be no greater than 6% - 8%. The following chart represents the trends stated above:

	FY1994	FY1995	FY1996	FY1997	FY1998
Revenue Budgeted	\$2,421,350	\$2,481,000	\$2,405,563	\$2,586,998	\$2,709,600
Revenue Realized	\$2,894,359	\$2,594,185	\$2,552,027	\$2,557,665	\$2,737,847
Excess/(Shortfall)	\$473,009	\$113,185	\$146,464	(\$29,332)	\$28,247

Approp. Budgeted	\$2,421,350	\$2,481,000	\$2,405,563	\$2,586,998	\$2,709,600
Approp. Realized	\$2,149,334	\$2,049,746	\$2,109,812	\$2,081,161	\$2,443,347
Under/(Over) Budget	\$272,016	\$431,254	\$295,751	\$505,837	\$226,253
Total Revenue	\$2,894,359	\$2,594,185	\$2,552,027	\$2,557,665	\$2,737,847
Total Expenditure	\$2,149,334	\$2,049,746	\$2,109,812	\$2,081,161	\$2,443,347
Total Surplus/(Loss)	\$745,024	\$544,439	\$442,214	\$476,504	\$294,500

Recommendation:

The water utility should begin practicing more fiscally responsible budgeting techniques and keep excess revenues to 8% of the total expenditures for any fiscal year. If the utility held the excess to 8% in fiscal year 1998, the excess revenues would have amounted to approximately \$195,468 and the utility would have been able to reduce rates by a total of \$99,032. The review team recognizes that these savings could result in an increase in taxes due to the water utility not subsidizing the current fund budget to the extent currently done.

Cost Savings: Approximately \$99,032 in the water utility budget

As stated above, the utility maintained a surplus balance on June 30, 1998 of \$1,343,538. The following chart represents the end of year surplus balances for the past five years:

FY1994	FY1995	FY1996	FY1997	FY1998
\$872,930	\$1,059,652	\$1,518,482	\$1,646,952	\$1,343,538

The average surplus balance for these five years was \$1,288,311. Based on the past five year average expenditures of \$2,166,680, the utility is maintaining surplus balances of 59.46% of the average expenditures. Again, LGBR has used benchmarks that state that surplus balances should be no greater than 6% - 8% of the total expenditures.

Recommendation:

The water utility should keep surplus balances to approximately 8% of its total expenditures. If this was done for FY1998, the utility should be maintaining a surplus of approximately \$195,468. This results in approximately \$1,148,070 in excess funds that could be used to reduce rates or pay for upcoming capital expenditures without having to bond for them. The review team recommends that the utility reduce its surplus funds by \$1,148,070 over a five year period (\$229,614 per year) so that there won't be any major changes in rates over a short time period.

Cost Savings: Approximately \$229,614 per year

Meters

The utility has one person who spends 10-13 days per month doing meter readings and the other days assisting where needed in other areas of the utility. All of the meters within the city are read

with a computerized notebook and 80 meters at local industries are being updated to be read without having to leave the vehicle. The information that is obtained is reviewed by one of the clerical personnel and then transferred to the city's collection office where bills are created and sent out. Residential meters are read quarterly and industrial meters are read monthly.

Besides the meter reader, there are two additional personnel who deal with meter installations and repairs and also do road mark-outs before any street is dug out. The total salary and benefit cost of the three meter personnel is \$144,026 per year. The review team does not feel that two personnel are needed to install and replace meters and do road mark-outs. The team feels that the meter reader, when not out reading meters, should be assigned to solely assist in the above stated functions.

Recommendation:

Reduce the number of personnel in the meter function by one position.

Cost Savings: Approximately \$46,822 in salary and benefit costs

Consolidation

The review team does not feel that it is necessary to operate separate water and sewer utilities in a municipality the size of Millville. LGBR has found many municipalities where the utilities are combined under one administration. If the city were to combine its water and sewer utilities, it would find that it could greatly reduce administrative costs and could very well determine that reductions could be made in the operations level due to economies of scale and being able to share personnel on a formal level. The review team feels that at the least, one superintendent position and one clerical position could be eliminated under a combined organization. The city could require lower level personnel to obtain licenses currently held by the superintendents to run the utilities.

Recommendations:

The city should combine the water and sewer utilities under one administrative structure. When this occurs, the city should eliminate one superintendent position and one clerical position. Additionally, the city should study whether additional cost savings could be achieved by reducing operating personnel due to the economies of scale associated with one larger organization.

**Cost Savings: Approximately \$117,943
(in salary and benefit costs associated with personnel reductions)**

POLICE

General

The police department is divided into three divisions- uniform, plainclothes and services. It consists of a chief of police, one captain, three lieutenants, 10 sergeants and 53 police officers. They are assigned to general patrol duties, the detective division, and police administration. There are also six clerical employees and five communications operators. There are 14 full-time crossing guards and three substitute crossing guards. In addition, the city has 23 special law enforcement officers. The costs of this operation for 1998 are detailed below:

Chief of Police
Captain
Lieutenants (3)
Sergeants (10)
Patrolmen (53)
Clerical & Communications (11)
Crossing Guards (17)
Special Law Enforcement Officers (23)

The costs for the sworn officers for FY1998 include \$3,338,129 in salary costs, \$896,187 in direct benefits, \$121,673 in overtime, \$29,350 in clothing allowance, \$75,635 in court time, \$85,943 in miscellaneous compensation and \$348,316 in other expenses, for a total of \$4,895,233. This accounts for approximately 25% of the operating expenditures of the city.

The costs for the crossing guards include \$70,653 in salaries and \$5,404 in direct benefits for a total of \$76,057. The communication operator costs include \$154,628 in salaries, \$53,225 in direct benefits, \$3,816 in overtime and \$1,400 in clothing allowance for a total of \$213,069. The clerical employees include \$199,044 in salary cost, \$65,023 in direct benefits, \$1,126 in overtime, and \$2,450 in clothing allowance for a total of \$267,643.

The team's study consisted of numerous sight visits, including in-depth interviews with the police administration, unit supervisors and other selected police and civilian personnel. In addition, the team observed other police operations. On some occasions the team toured with the uniformed personnel. There was some delay in obtaining department data from the police department, despite repeated requests by the team.

The New Jersey State Police (NJSP) list Millville in the Uniformed Crime Report (UCR) as a "Urban /Suburban" community. In 1998, the total number of crimes per 1,000 population was 60.5 as is illustrated in the following table. The majority of the crimes were in the categories of burglary, larceny and domestic violence.

Municipality	Crime Index per 1,000 inhabitants for 1997	Population	Square Miles
Bridgeton	75.6	18,493	6.50
Commercial	33.8*	5,153	34.00
Fairfield Township	14.8*	6,565	46.02
Lawrence	16.0*	2,758	37.35
Maurice River	11.9*	6,710	94.70
Millville	60.5	26,366	43.00
Vineland	61.0	55,906	69.50
State of New Jersey	37.1		
Cumberland County	51.1	141,230	504.35

*Indicates that this community is serviced and patrolled by the New Jersey State Police (NJSP).

Organization/Operations

We believe that a restructuring and reorientation of the department's management, from the top down, is needed to create an improved and more responsive police department. Unfortunately, the police department currently operates under a dark cloud. This is due to a series of investigations of the chief of police by the Cumberland County Prosecutor's Office, by a series of discrimination lawsuits that have been filed, and by the sudden resignation/retirement of officers due to allegations of wrongdoing within the department.

There were several incidents where members of the leadership of the police department and rank and file officers expressed dissatisfaction with the police chief. In May, 1999, the labor union took a vote of no confidence against the chief of police. A meeting was called with the director of public safety, the labor union and the chief of police to resolve these issues. To date, none of these issues have been resolved. There were many allegations relayed to the team concerning inappropriate activities in the police department that, while not criminal in nature, if true would expose the city to significant financial liability and embarrassment. Recent suits include litigation concerning sexual harassment that was very expensive, and another suit recently filed by an unauthorized passenger of a patrol vehicle involved in a serious crash. We cannot overemphasize the importance of a thorough and objective review of the operation of the department and allegations which surface during that review.

Recommendation:

We recommend that the board of commissioners conduct a thorough investigation of the operation of the police department to determine which, if any, of these allegations are true and what corrective action is appropriate.

The department's organizational restructuring cannot occur without an active and visible commitment from the very top leadership to both accept the department's role as part of a cohesive and improving municipal organization and its role as an entity in service to the residents and taxpayers. The team believes that the Millville Police Department as a whole wants to work

as a cohesive and effective law enforcement agency. However, it is difficult to perform these duties due to existing circumstances mentioned above.

Recommendations:

It is recommended that the department aggressively pursue compliance with the Voluntary Standards Program developed by the New Jersey Division of Criminal Justice in cooperation with the State Association of Chiefs of Police. We would then recommend they pursue the more stringent accreditation by the Commission on Accreditation for Law Enforcement Agencies, Inc. (CALEA), the national accreditation organization for police departments. Accreditation would require a commitment of resources but it also provides a framework for establishing a cohesive and responsive police organization. Development of these policies is not enough, as it is imperative that they be adhered to and enforced.

Value Added Expense: \$10,000 plus 25% of the captain's time, initially. Renewal of CALEA accreditation is required every three years and would cost between \$5,000 and \$8,000. The renewal cost could be offset by a reduction in fees from the city's joint insurance fund.

The general atmosphere of the police department is poor. The tension that exists between the department leadership and the rest of the city government needs to be addressed immediately. It is the team's recommendation that the appropriate authority, as designated by city ordinance, set forth in writing specific goals and objectives along with a time table for compliance.

Patrol

Approximately 42, or 65%, of the police officers assigned to the rank and file work in general patrol. The other 26, or 35%, of the officers work in specialized units or in police administration. Our proposed reorganization of the patrol division would reallocate officers to patrol from areas where civilians could be used. Inserting civilians into these positions within the police department coupled with the Tele-service and the parking enforcement officer program and eliminating the warrant officer (all discussed below) should provide at least one additional police officer to each tour of duty.

Patrol Analysis

The team performed a workload analysis to determine the minimum number of police officers needed for patrol duties. The results of the workload method are further supported by the relief factor for the 12-hour schedule being utilized. The police department received approximately 44,850 calls for service. Calls for service include requesting a patrol unit response to an incident, such as a motor vehicle accident, and officer initiated calls such as a motor vehicle stop. These types of activities collectively constitute the patrol workload for the city police department. When the team requested the computerized aided dispatch data, the police administration advised the team that there were inconsistencies with the data. For example, there were many entries that constitute administrative time. The International Association of Chiefs of Police (IACP) has created a formula that is used to measure the average amount of time spent on each call for

service. The IACP method has proven reliable in several patrol workload studies conducted across the state. According to the IACP formula, an average of 43 minutes is utilized for each call for service. This average time is the actual time consumed by the patrol unit from the time it is dispatched until the time the police unit is cleared. By using the factor of 43 minutes, the police officers consumed 23,770 hours. The IACP formula utilizes a multiplier of 3 that has to be used to include administrative, obligated and patrol time. The LGBR team utilized a multiplier of 2 because the CAD is capturing inconsistent administrative activities. When this factor of 2 is applied, it would allow for 47,541 hours of work performed by the patrol officer. We then divide the police officers' availability time by the hours of work performed, thus deriving the minimum number of police officers required for general patrol (29 police officers). A reduction in patrol calls for service will increase the time available for direct patrol, and allow the patrol to accommodate some growth in calls for service without additional staff.

At the beginning of the review, the police department was utilizing all three patrol shifts on a 5-2 staffing schedule with a minimum of five officers assigned to the midnight shift, five officers to the day shift and seven officers assigned to the evening shift. The remaining officers work in specialized units or for the police administration on a 5-2 schedule. Based upon the available hours of 1,748.5 and the 5-2 schedule, this creates a relief factor of 1.67 officers. The relief factor determines proper staffing levels. During our review, the patrol officers went to a 12-hour schedule with a minimum of five officers per shift. Based upon available hours of 1,748.5 and a 12-hour schedule, this resulted in a relief factor of 2.51 officers.

Recommendations:

The team recommends that the police administration ensure that the dispatchers use a call back list including all of the police personnel working on their respective tours of duty. In addition, the police administration should ensure that the computer program is providing the information for the CAD, thus capturing the complete consumed/down time of all of the police units assigned to a call for service. The team further recommends that the city eliminate six patrol officers from the table of organization in general patrol. A proposed table of organization is attached.

Cost Savings: \$248,136

Detective and Juvenile Bureaus

The bureau is staffed by one lieutenant, two detective sergeants and three detectives. A lieutenant commands the detective bureau. In addition to the detective personnel, four police officers are assigned to assist the detectives working with the street crimes unit, the juvenile officer and the warrant officer. The primary responsibilities of the bureaus are to conduct follow-up investigations of reported crimes and the initiation of investigations of major crimes. According to the documentation provided by the chief of police, the detective personnel cleared 31% of the crimes handled. According to the UCR Crimes in New Jersey Manual, the state clearance rate is 21%, and Cumberland County rate is 30%. The Juvenile bureau detectives have created an informational network between the schools and the youth of the community that is an invaluable tool to the community.

Tele-Service

Tele-service, a program to allow some reports to be filed by phone, is a tool that can be used to free up a patrol officer for more important assignment. This would allow more time for proactive/directed patrols to traffic enforcement duties. There is an obvious need for this program in the Millville Police Department. Tele-service procedure is implemented through the dispatchers who may record the reports, or the department may provide an audix recording system for the victims of certain non-emergency incidents over the telephone. Communities that have implemented this type of system have since expanded the program to their patrol officers submitting after-the-fact crime incidents or administrative reports in this tele-service fashion. One community reported that 80% of their police reports are now on the tele-service system.

In addition to the “after-the-fact” crimes, the police administration stated that approximately five citizens’ reports are filed daily at police headquarters to report incidents. When this occurs a police officer has to respond to police headquarters to take the report. Some of these reports are eligible to be taken over the telephone if the citizens elect to do so. Calls are estimated to average 45 minutes according to the International Chief of Police Beat Patrol Analysis Program. This type of service expedites taking reports from the crime victim since they are frequently required to wait for a patrol unit to come to headquarters or their home, as the patrol unit may be on a higher priority assignment.

For tele-service to be effective, it should include the following:

1. A clear specification of types of calls eligible for the tele-service.
2. The ability of the citizen to choose whether or not the call is taken over the phone.
3. Training the dispatchers so that they can effectively screen the calls from the victims.
4. Ensuring that reports taken over the phone are reviewed for accuracy and are included in any feedback to the patrol shifts so that the police assigned to areas are made aware of incidents occurring within their area of responsibility.
5. Ensuring that the detective bureau personnel follow up and contact the victims on all cases.

If the city implemented this type of tele-service program, high visibility, unobligated patrols would increase.

Recommendation:

The team recommends that the police department develop the policies and procedures to implement the tele-service for appropriate calls.

In addition to the tele-service the Millville Police Department should consider using the existing city web site to establish a page which could be used for reporting incidents to the police department.

Recommendation:

The team recommends the police department investigate using its web site for reporting incidents to the police department.

Evidence/Property Room

The team reviewed the evidence room and found it to be disorganized, dysfunctional and presently under the control of a class one special police officer who also works as the animal control officer. The individual who previously had the assignment was terminated due to some questions of honesty. The current individual in charge has no type of formalized training on the retention and control of evidence. Although the individual has requested training in this area, the police administration has not complied and has placed the control of evidence as a low priority. The team is concerned with this. The city should contact the Cumberland County Prosecutor's Office and or the NJ Attorney General's Office for some guidance. There are many standard operating procedures available from numerous law enforcement agencies regarding principles for evidence rooms.

The team feels that the animal control officer should be relieved of these duties as soon as possible. The city should explore the feasibility of hiring a retired police officer as a civilian for 20 hours a week for this position. The City of Millville has had success utilizing retired police officers as civilians within the city. A retired police officer is currently working as a security guard with the municipal court program.

Recommendation:

The team recommends that the city contact either the Cumberland County Prosecutor's Office and or the NJ Attorney General's Office, Division of Law Enforcement Standards for formalized training in the handling, control and storage of evidences. In addition, the police department administration should create standard operating procedures and policies for the control, handling and storage of evidence. Furthermore, the city should explore the feasibility of hiring retired police officers with some knowledge of evidence procedures to be in control of the evidence under the auspices of a sworn police officer within City of Millville Police Department.

Value Added Expense: \$10,400

Grants

Over the past three years, the police department has secured numerous grants, from both state and federal organizations, to enhance the quality of life in the city. The latest grant received during our review is a Local Law Enforcement Block Grant of \$67,939 for the purchase of equipment and uniforms. An additional federal grant was received from the US Department of Housing and Urban Development for \$218,378. The city receives a Safe and Secure Grant for \$90,000, and from the NJ Division of Motor Vehicles, Drunk Driving Grant of \$25,911. Under the HUD bulletproof vest grant, the entire police department personnel will receive new vests over a period of five years.

The team commends the police administration for their efforts in securing the additional funds for staffing and equipment.

Schedule

In 1998, the police department worked a 5-2 work schedule in the general patrol division, a 5-2 for specialized units and the police administration. The patrol officers work an eight hour day totaling 2,080 hours a year. The police administration, the labor union and the city have been in negotiations over the past six months about implementing a new schedule. While the team was conducting its review, the city decided to implement a 12-hour shift for the general patrol officers. However, the first line supervisors involved with the general patrol division rejected the shift changes. Nonetheless, the city proceeded to allow the general patrol officers to remain on the 12 hour shift. Supervisor practices regarding the unity of command is not evident in the patrol division regarding the shift commanders. The team observes this practice as a serious problem for the subordinates.

This type of schedule situation violates all police management concepts regarding patrol practices. Currently, three eight hour, first line supervisors manage two 12-hour shifts of subordinates. When a schedule of this type is implemented, all parties must participate, otherwise it won't work. A split schedule of this type will seriously impact on the morale and will negatively affect the day-to-day operations of the police department.

Recommendation:

The team recommends that all general patrol personnel work the same schedule, to conform with acceptable police practices regarding direct supervisory management techniques.

Traffic Division

The traffic bureau consists of a sergeant and one patrol officer. These officers receive some civilian clerical assistance from the record bureau personnel located next to their office. This unit is responsible for the crossing guards, traffic planning, analysis, monitoring and coordinating of the traffic activities. Since there is a close relationship between traffic enforcement and all law enforcement activities, the responsibilities for enforcing traffic laws and regulations must be shared by all uniformed personnel.

The team feels that the present police officers assigned could do more to improve the traffic unit's image. Under the present conditions, the traffic police officers do not work in conjunction with the targeted traffic times unless on grant overtime. The administrative workload within the traffic unit will dictate whether these traffic police officers actually target specific areas of concern. The sergeant is spending approximately 10 hours per week and the police officer assigned is spending 20 hours per week of their work time on field selective traffic enforcement. Although there are random traffic assignments given to the patrols for troubled or targeted areas, there is little or no type of summons activity or enforcement compared to other communities with the same staffing levels.

In 1998, the police officers of the Millville police department issued a total of 3,907 motor vehicle summonses. The team did observe that the city received an overtime grant for aggressive

driving from the State of New Jersey. During these grant periods regarding selective traffic enforcement, there is a noticeable increase in summons activity. The team attended a staff meeting involving the rank and file, at which a sample self-initiated log was distributed. The city municipal court related to the team that there was a noticeable increase in summonses in selective traffic enforcement activity, since the inception of these self-initiated logs.

The team commends the police administration for taking steps to motivate the work force. In addition, the team recommends that all general patrol police personnel receive the opportunity to participate with the traffic enforcement grants.

Crossing Guards

There are 14 full-time and three substitute crossing guards assigned to assist the police department at strategic locations throughout the community. They receive \$6.25 per hour. None of the crossing guards receive health benefits. However, crossing guards do collect unemployment benefits. Crossing guards should not be allowed to collect unemployment benefits during the summer months. The city should research a 12-month contractual agreement with these employees or allow them to work within the community during the summer months. These employees could perform other administrative functions throughout the city, instead of collecting unemployment benefits. These unemployment benefits cost the city of Millville's taxpayers additional taxes during the scheduled quarterly payments. If the employee refuses to work then he/she should not be eligible to collect these benefits. The police department could use additional administrative support and these employees could be used for this.

Furthermore, some of these crossing guards could be reassigned as parking enforcement officers (PEO). The team has reviewed similar communities where parking enforcement officers may double as crossing guards where staffing levels permits. It is apparent from the workload and staffing analysis in the patrol division that these PEO individuals may relieve and assist the general patrol officer with the daily parking duties. Due to workload and staffing levels on certain tours of duty, the police officers are unable to complete parking or targeted selective enforcement details. By employing these crossing guards in the capacity of a PEO, the police officers will spend more time on unobligated patrols to the communities, thus allowing the police officers to be proactive and highly visible.

Recommendation:

The team recommends that the township explore the feasibility of assigning one or two of the existing crossing guards as the parking enforcement officers in their off-time. In addition, the city should explore the feasibility of a 10-month contract to the crossing guards to avoid paying unemployment benefits. State legislation is pending which, if passed, would preclude crossing guards from collecting unemployment benefits during the summer.

While participating on patrol with the traffic personnel, it was related to the team that on some occasions crossing guard details are not always covered. These types of police actions may cause future liability issues to the city. The police administration should conduct a traffic survey and

interview each crossing guard at every intersection where a crossing guard is assigned and reevaluate these assignments. The crossing guards are working before school, at lunchtime and after school details and are paid \$6.25 an hour. The team is aware of communities that have implemented a roving crossing guard program to cover multiple traffic posts. The police designate crossing locations where the roving guard will be placed. The children are instructed to wait at the post for the guard. The guard travels from post to post during the designated crossing times and crosses children as required.

Recommendation:

The team recommends that the township conduct a survey with the traffic division to explore the feasibility of how many children are actually crossing at these intersections. In addition, the team recommends that the police department eliminate six fixed posts and utilizes the roving guard program with only two guards.

Cost Savings: \$20,810

Parking Enforcement Officer Program

Parking enforcement is an integral part of traffic control and plays an important role in the revitalization of the community. The city has a downtown business district in the midst of a revitalization effort with little or no type of parking enforcement. According to the 1998 documentation provided by the municipal court, there were only 200 parking summonses issued by the parking enforcement or police division. This number of summonses is very low for a community of this size. We suggest that a Parking Enforcement Officer (PEO) program can create a more motivated group of employees. Assuming each of the two PEO employees issues five summonses daily, the city would realize 200 summonses monthly with a revenue enhancement of \$2,000 per month.

Recommendation:

The team recommends that the city adopt an ordinance to create and implement an aggressive PEO program.

Revenue Enhancement: \$24,000

There will be a value-added cost of four hours daily at \$6.25 for 20 hours a week with no type of benefits.

Value Added Expense: \$6,500

In addition to these parking enforcement duties, the PEO's may assist the township with quality of life issues. Quality of life issues and enforcement are essential to help sustain the vitality of a community. General patrol officers would then have additional unobligated time for high visibility patrols. Should the governing body decide to establish the parking enforcement officers/crossing guard program, they should ensure that the PEO individuals are properly trained under N.J.S.A. 40A:9-154.7 et. seq.

Recommendation:

The team recommends that the township adopt the PEO concept and properly train the officers as professionals and have these two individuals assist with parking and quality of life issues. Doing so would permit the city to eliminate the provisional individual presently on the payroll.

Cost Savings: \$7,540

By creating the PEO program, the township may qualify for the use of an electronic summons radio terminal known as PATS (Parking Authority Ticket System) provided by the NJ Administrative Office of the Courts (AOC) at no cost. The device may reduce clerical work in the court-generated summons, and more accurately track the production of PEO's in the field. This system communicates directly with the state of NJ Court Automated Traffic System providing an electronic record of each summons issued. The team observed the system in operation, and the system makes the preparation of a summons more efficient. In addition, the system will provide more accuracy in data gathering than handwritten summonses. The system also has the capability of alerting the PEO if a vehicle owner has an outstanding warrant, permitting the PEO to alert the police.

Recommendation:

The team recommends that the township explore the possibility of using the PAT System with the PEO Program cooperatively with the NJ Administrative Office of the Courts.

The parking enforcement officers should be assigned special uniforms from the police department through the traffic unit to distinguish them from police officers.

Warrant Officer

The police department has a police officer assigned to warrants. This police officer receives all incoming warrants from other jurisdictions and the city. In addition to these duties, the warrant officer recalls the warrants when notified by the other agencies. It was related to the team, that many of the warrants generated by both the city's municipal court and the other police agencies are now located on the ATS/ACS system available on the state computer system. Therefore, a full-time warrant officer is no longer necessary. Any other National Crime Information Center (NCIC) warrants would have to be entered by the police with the hard copies of the reports available at central dispatch center. The team feels that this warrant police officer position can be eliminated, thus reassigning the police personnel to the rank and file.

Recommendation:

The team recommends that the warrant police officer position assigned under present table of organization be eliminated.

Cost Savings: \$41,356

Records Retention/Management

The record bureau personnel are located on the third floor of the department. Under the present police administration, the record bureau provides a customer service approach to records and documentation.

Currently, the police department does not provide a copy of the actual police report to the requesting citizen. Instead a copy of the call for service is provided. The team recommends that the city should research and develop a fee schedule based on the one established by the Division of Public Law and Safety at NJSP Headquarters in West Trenton. Cities are allowed to set fees for these types of reports to cover the costs of preparing them. While the team was conducting its review, a copy of a fee schedule was provided to the police administration for this review and adoption for additional revenue enhancement.

It is estimated by the police administration that the police department provides approximately 10 police reports daily. Based on these estimates, the city can create a revenue enhancement of \$12,000 by charging \$5 per report.

During the team's review, we observed a dispatcher involved in a verbal exchange with a pro se plaintiff regarding the securing of police documents for a civilian case with the Cumberland County courts. The dispatcher advised the plaintiff that she was not entitled to the reports and that her attorney would have to send a letter to the record bureau for the discovery. The information disseminated by the dispatcher was in direct violation of the governor executive order 69 and 123. However, the department did issue a special order regarding the issuing of public police documents to civilians in March, 1999. It is apparent that the civilian personnel are not properly trained in the standard operating procedures or special orders issued by the police administration. No one is held accountable or responsible for these types of actions. The police department needs to institute a roll call procedure where everyone would read, understand and sign-off, when orders of these types are issued. The team provided the police administration with a sample roll call procedure from the NJ Attorney General, Division of Law Enforcement Standards.

Recommendation:

The team recommends the city and the police administration research and develop a fee schedule to offset the costs of providing these reports, based on the one established by the Department of Law and Public Safety.

Revenue Enhancement: \$12,000

In addition, the police administration should institute a sign-off system to ensure that all police and civilian personnel are aware of procedures and policies.

Data Processing

The team interviewed the police administrator who is responsible for the data programs within the department. Based on the interview, the team felt this individual did not possess the training

and general knowledge necessary to operate a system of this type. The individual was unable to respond to some technical questions related to his/her job duties.

A police administrator should view a Computerized Aided Dispatch (CAD) Program as a tool to assist all police and civilian personnel. A computer aided dispatch module should have a separate status window and be compatible with Enhanced 911. The system should have the ability to hot key between incidents, and be able to maintain a goebase data bank. A system of this type would also contain a records management module that would interface with the CAD. It should have the ability to accept information from a lap top data base, accept records, including narratives from offense, arrest, property and motor vehicle reports. In addition, the system should contain a record data on firearms and employment applications, permit applications, and alcoholic beverage control (ABC), with licensing for special permits/events. The system should generate the NJ UCR reports and a master name index. This system should have case management capabilities, property and evidence tracking and a registration file for bicycles, ABC licenses, solicitors-vendors, firearms and alarm systems.

Recommendation:

We recommend that the police administration allow this individual to seek a continuing educational program in this area of expertise. This will make him more efficient and effective in the area of computer science. The team recommends that the city explore other agencies who recently went on line with similar systems that will provide it with helpful information.

Police Dispatch

The dispatch center is located on the second floor of the police administration building and is accessible to the view of public. There are five civilian dispatchers. These individuals answer citizens' questions in addition to their dispatching duties. We have observed that, on occasion, a sworn police officer, sometimes a ranking supervisor has to cover dispatch for relief or work the dispatch area because there are no other civilian personnel available for the tour of duty. For example, a sergeant had to be recalled 26 times to cover dispatch during the period of January to May, 1999.

The dispatchers are a part of the sewer utility labor contract and are compensated at time and half for working on Sundays, 52 weeks of the year. In addition the dispatchers receive 15 holidays.

The police department has expressed a desire to fill vacancies in dispatch and also address personnel and salary issues concerning the police dispatch. Currently, the county uses public safety telecommunications to dispatch fire and ambulances through the Cumberland County Sheriff. The sheriff's office is also utilized as the primary answering point for the 911 telecommunications for the both the Bridgeton and Millville police departments. Initially, efforts made by the county to regionalize the dispatching function in 1993 met resistance from the three major cities in Cumberland County, but home rule issues have not stopped the county from proceeding with the electronic enhancements and computer upgrades in the past few months.

Currently, the county system does not dispatch police services but rather transfers those calls directly to local municipalities or the state police in areas where there is no local police coverage.

The county has state of the art equipment and provides regular training. The county would have to upgrade its system by about \$15,000 to accommodate the police dispatch for both Bridgeton and Millville. The additional staff to the county dispatch would amount to two new dispatchers to handle the Millville community based on a benchmark established in a previous LGBR report. The cost for these individuals would be \$60,000 including benefits.

During the team's research of this project, the county indicated a desire to explore with the local officials, a consolidation of all dispatch services. The county would then become both the Public Safety Answering Point and Public Safety Dispatch Point for the Cities of Bridgeton and Millville. This would ultimately remove some concerns with the salary and personnel issues from the local control.

Several "home rule" issues would have to be addressed, including experience, support of local police department and government officials, periodic re-evaluation of the program, and implementation of computer programs to assist dispatchers with efficiency and effectiveness. Government officials should visit agencies where this type of program has been successful. Camden County offers countywide dispatching and many of the NJSP dispatch centers that presently perform multiple dispatch functions work with a degree of success despite that fact that the dispatch centers are not located in the building of the actual police agency. Gloucester County is also offering countywide dispatching to its municipalities, citing financial savings and increased efficiencies as reasons why municipalities are signing on.

It would appear that the county could absorb the operation for approximately \$75,000. Savings would be less in the first year of operation, but extensive savings could be achieved through successive years. Negotiations with Cumberland County could produce a workable agreement with Millville and provide the necessary customer services-oriented program at a considerable savings. Therefore, the team believes that the City of Millville could provide a cost-effective and more efficient mode of services to the residents. There are feasibility grants available from the state of NJ Department of Community Affairs to perform a feasibility study. In addition to the Regional Efficiency Development Incentive Program (REDI), there is additional funding available to support a shared service program from the Department of Community Affairs' Regional Efficiency Aid Program (REAP).

Recommendation:

It is recommended that the city consider providing police dispatch through the county facility as a regional service. The team also recommends that the city explore the feasibility of filing an application with the Department of Community Affairs, REDI program to complete a feasibility study on this dispatch concept. In addition, the team recommends that the city explore the REAP program offered by the NJ Department of Community Affairs on shared/regional services.

Cost Savings: \$213,069 in salaries and benefits

Value Added Expense (one year): \$75,000

Animal Control

There are two animal control officers (ACO) working within the city limits of Millville. Both of these ACO's are working under the direction of the chief of police. In addition to the animal control duties, one of the animal control officers also works as the officer in charge of the evidence room. The team feels that the ACO should be working under the authority of the health department. In addition, the team feels that only one ACO is necessary for a town of this size. The team feels that a retired police officer working 20 hours a week is sufficient for the evidence room duties.

Recommendation:

We recommend that one of the ACO positions be eliminated. In addition, we recommend that the city explore the feasibility of an interlocal services agreement with surrounding communities for ACO services in emergency situations.

Cost Savings: \$25,993

Community Policing

The city police department has a very proactive community policing program. We were informed that the bike patrol officers and community policing officers increased the feeling of security in those neighborhoods.

Bicycle policing can be an effective tool for police departments and can be used in an efficient manner. However, the city is 43 square miles, and it is very difficult for these community-policing officers on bicycles to maneuver about the community for back-up or serious incidents. Other community policing strategies can serve even more efficiently such as a "park and walk" assignment. This directs officers to a specific area at specific times to park the patrol unit and walk an area. These police officers can do this easier than changing into a bike uniform. The need for flexibility is important when staffing needs to respond to events that cannot be planned. Other issues such as access into parks and towpaths where bicycles can go but police cars or walking patrol officers cannot easily go, may be addressed with the proposed use of motorcycles. Motorcycles will enable the officers to be more flexible and have contact with the community without the barrier of the patrol unit and provides the ability to re-deploy personnel quickly when needed. Motorcycles are an effective tool for motor vehicle enforcement. The cost to purchase the first motorcycle is a concern (\$14,000 state bid). However, on a one to two year replacement plan, the city can develop a replacement policy that should minimize or eliminate costs. There are some additional one-time costs for training and uniforms.

Recommendation:

It is recommended that the city explore the acquisition of motorcycles as part of its community policing strategy. The costs of acquisition, uniforms and training could be covered by part of a community-oriented policing (COPS) grant.

Police Uniforms

Police officers presently receive a uniform maintenance allowance of \$425, and the detectives, \$725. The city has also established a replacement policy for uniforms whenever a uniform is damaged by a job-related incident or by excess wear and tear. The city should explore the feasibility of removing the maintenance agreement from the next labor agreement.

Recommendation:

The city should remove the uniform maintenance allowance of \$425 for police officers and \$725 for detectives at the next round of negotiations. The city already provides replacement uniforms for the officers and detectives and this is a duplication of cost for city taxpayers.

Potential Cost Savings: \$30,700

Meal Programs

When a police officer attends police-related schooling, or is assigned out of the police department, he or she receives a meal allowance. The police officer receives \$12 for breakfast, \$24 for lunch and \$36 for dinner, totaling \$72 per day. In comparison, the state benchmark for Cumberland County is \$38 per day for meals. LGBR finds that a difference of \$34 per day is excessive for meal allowance.

Recommendation:

We recommend that the city renegotiate the amount of meal allowance per day with the goal of reducing it to the state benchmark of \$38 per day.

MILLVILLE RESCUE SQUAD

The Millville Rescue Squad, a not for profit organization, provides emergency medical services to the City of Millville. Besides Basic Life Support (BLS) services, the squad also provides rehabilitation to fire fighters at working fires, rescue services jointly with the fire department (confined space rescue, high angle rescue, and trench rescue), automobile extrications, underwater search and recovery, stand-by services at special events, and inter-hospital out-patient transports (IHOP).

The rescue squad provides BLS services to Millville and two surrounding communities. The rescue squad responds to approximately 3,200 BLS calls each year, of which approximately 300 calls are to Maurice River Township and 50 are to Commercial Township. The organization ensures that one primary ambulance is staffed 24 hours per day with two paid EMT's per shift. As a result of the services provided, the City of Millville makes an annual contribution to the rescue squad of \$35,000, Maurice River Township contributes \$20,260, and Commercial Township contributes \$5,000. Additionally, the City of Millville donates the use of the rescue squad facility, has purchased vehicles for the squad's usage, and pays for various utilities and services. According to the rescue squad's annual audit, the value (annualized) of the donated

facility and vehicles is approximately \$89,402 and the cost of utilities and services paid by the city is approximately \$46,281. Adding the annual cost of the utilities and services paid by the city to the city's annual contribution of \$35,000, a more realistic cash subsidy of \$81,281 is realized on an annual basis. This results in a cost per BLS call of approximately \$28.52, which is within the acceptable range found in other LGBR reports.

Along with providing BLS services, the organization provides IHOP to four area hospitals and one nursing home. The organization is currently in the middle of a three-year contract, which was entered into in June, 1998, to provide these services. The squad does approximately 16,000 IHOPs per year. The IHOP program was fully instituted during the last year, with the squad taking over the billing and collection functions from an outside vendor.

The organization fully recognizes that its priorities lie with the City of Millville and its residents. As a result, it sees its main function as providing BLS services to the residents and as a result, the functions of BLS and IHOP are separated from each other within the organization. For example, six of the EMT's respond solely to BLS calls for service from the county dispatching center. Additionally, there are three city-owned ambulances that are still used by the organization and these are only used to respond to BLS calls in Millville, along with a small number of calls from other communities.

The organization has gone through some drastic changes in the past few years. Until January, 1996, the Millville Rescue Squad was administered and operated solely by volunteers. During 1995, the organization was restructured to include a seven-member, volunteer board of directors, and an executive director was hired in November. In January, 1996, licensure and certification by the New Jersey Department of Health was obtained and additional full time personnel were hired. Presently, the organization employs an executive director, five additional administrative personnel, three billing personnel, six dispatchers for the IHOP program (trained EMT's), six EMT's for 911/BLS calls, 14 part-time and 37 full-time EMT's for the IHOP program, and 12 volunteer EMT's who assist with the 911/BLS calls for service. For a point of reference, the organization used to function completely (excluding IHOP) with over 50 volunteers.

The role of the volunteers has significantly diminished in recent years. While at one time the organization relied completely on the volunteers, it no longer depends on their services to provide adequate coverage to the residents of Millville. According to the executive director, volunteers are always welcome to assist the paid personnel. Active volunteers are asked to provide 12 hours of assistance per month, although they are not held to this amount. When volunteers are working, they will usually ride on an ambulance and assist the paid personnel, since they are also fully-trained EMT's. If there is more than one volunteer EMT working at the same time, an additional ambulance may be put in service.

The organization is located in a city owned building that is beginning to show problems of wear and is becoming too small for its needs. There is currently talk between the squad and the city to relocate the organization to a new building. The organization's plan is to purchase a parcel of recently foreclosed city-owned property about six blocks from the current site for \$1 and build a new facility with its own money. The city is currently applying for "brown-fields" money from

the State of New Jersey to see if any remediation is necessary. If no remediation is necessary, the city plans to transfer title of the property to the Millville Rescue Squad. Whether the rescue squad stays in the current building or constructs a new facility, it anticipates that the city would continue to subsidize its operations with the \$35,000 cash contribution and approximately \$46,281 to cover various utilities and services.

Recommendation:

The city should review with its attorney to assure that the amount of municipal funding complies with N.J.S.A. 40:5-2.

During the fiscal year ended January 31, 1999, the organization expended approximately \$1,133,174 (excludes Value of Donated Facilities and Depreciation costs). Of that total, approximately \$732,961 was for salary costs and approximately \$95,685 was for direct benefit costs. The organization is supported through third party insurance claims, a subscription program, normal donations, municipal contributions, miscellaneous income, and services paid by the City of Millville. The chart below represents the revenue and support received by the organization to support its operations:

Insurance Claims Reimbursements	\$1,492,752
Billing Services – Hammonton	\$40,128
Fund Raisers/Subscription Plan	\$48,000
Donations	\$8,649
City of Millville Contribution	\$35,000
Maurice River Township Contribution	\$20,260
Commercial Township Contribution	\$5,000
Miscellaneous Income	\$2,731
Sub-Total: Revenue Received	\$1,652,520
Utilities & Services paid by City of Millville	\$46,281
Value of Building Lease and Vehicles	\$89,402
Sub-Total: Value of City Support	\$135,683
Grand Total: Revenue & Support	\$1,788,203

As of January 31, 1999, the Millville Rescue Squad had a cash balance of \$227,284, a cash receivable balance of \$344,042, and a liability balance of \$219,378. As a result, the organization has a surplus of approximately \$351,948. This compares to an approximate surplus of \$134,904 at the end of fiscal year 1998, \$96,418 at the end of fiscal year 1997, and \$33,297 at the end of fiscal year 1996.

The review team finds the relationship between the city and the first aid squad to be very beneficial. We feel that the organization is providing excellent services to the city and its residents. We also feel, however, that the organization needs to be more self-supporting in light

of the fact that it is doing third party billings, administering the IHOP program, enrolling people in the subscription plan, and soliciting donations.

Recommendation:

The review team supports the plan between the city and the Millville Rescue Squad to construct a new facility for the squad operations. In their first year of complete operations, the organization has shown the ability to be self-supporting in the future, in that revenues outpaced expenditures and surplus balances have increased. As a result, we recommend that the city and the Millville Rescue Squad come to an agreement to reduce the amount of subsidy the city pays to the organization. We recommend that, if the financial condition of the organization stays the same or improves, the city try to eliminate all subsidies within a five-year period (20% reduction each year), so as not to place undue burden on the organization in one fiscal year.

**Cost Savings: \$16,256 Year One
\$32,512 Year Two
\$48,768 Year Three
\$65,024 Year Four
\$81,281 Year Five**

FIRE DEPARTMENT

The city has a part-paid, part-volunteer (“hybrid”) fire department that provides fire services to its residents within its 44 square miles. There are six paid firefighters and over 60 volunteer firefighters. The director of public safety, who is a city commissioner, heads the department. Under the director, a volunteer fire chief acts as the department’s administrator and appoints the other departmental officers who are also volunteers (two deputy chiefs, three battalion chiefs, four captains, and four lieutenants). The governing body of the city must approve the personnel elected and appointed to the positions of chief and deputy chief.

The fire department currently provides fire suppression services, fire prevention inspections, public fire safety education programs, technical rescue services (joint effort with the Millville First Aid Squad), hazardous material containment, and high and low angle structural rope rescue. By far, the department’s main duties fall under fire suppression and fire prevention. The city currently has an Insurance Services Organization (ISO) fire protection rating of Class 5, as a result of a September 1989 review. The city should be up for review during 1999 and it expects to achieve a rating of at least one level higher. ISO ratings are based on a scale of 1 to 10, with 1 being the best.

During calendar year 1998, the city spent approximately \$301,436 in salary costs (of which \$13,638 was for overtime) and \$74,934 in direct benefit costs, totaling \$376,370. Additionally, the department spent \$84,889 in other expenses for the general department, \$14,121 for the fire prevention function, and \$18,794 for the maintenance of fire alarms connected to the Gamewell Alarm System. The other expenses were for the fiscal year ended June 30, 1998. In all, the city spends approximately \$494,174 per year on its fire department.

The review team feels that the fire department is quite well run and has many knowledgeable and experienced firefighters. The review team also feels that there are a few ways in which the city and department could change to effectuate a more efficient and effective hybrid department.

Calls for Service

The amount of calls for service has increased dramatically in recent years. In talking to the long-time firefighters in the department, the department responded to approximately 400 calls for service a year in the 1980's. That number has grown to about 700 in the past couple of years. According to the volunteers and the paid personnel, the increase in the number of calls has had a significant impact on the number of volunteers falling to low levels. The department is dispatched by personnel from Cumberland County. The following chart represents the calls for service responded to over the past four years:

CALL TYPE	1995	1996	1997	1998
Fire	205	234	266	238
Rescue	27	24	12	9
Hazardous	81	87	93	83
Service	29	33	49	48
Good Intent	40	55	80	105
False Alarms	221	164	188	211
Total Calls *	603	597	688	694

*Monthly drills/training are included in the call for service figures.

The department has an incentive that is tied to the number of calls a volunteer firefighter responds to. In the past, a firefighter had to respond to 40% of the total calls each quarter to receive a stipend of \$149 per quarter. Recently, this has been amended to take into account the increasing calls for service. Now, a firefighter receives \$149 each quarter if he or she responds to 40% or more of the total calls for service, \$100 each quarter if he or she responds to between 30% and 39% of the calls for service, and \$50 each quarter if he or she responds to between 20% and 29% of the calls for service. During FY1998, the incentive cost \$27,068 of the \$84,889 spent on other expenses for the general department.

While the review team does not have any problems with the incentive program, there is a caveat that allows retired members of the department to receive the full stipend amount no matter how many calls for service they respond to. According to fire department records, there were seven firefighters who fell into this category and it cost the city approximately \$4,172. The review team understands the department's intentions to reward people who dedicated many years of service to the department, but we also feel that this practice should be discontinued so as to create an equitable program. All firefighters should be paid the incentive according to the number of calls responded to.

Recommendation:

The department should discontinue the practice of giving the quarterly stipend to the retired firefighters no matter how many calls for service they respond to. All stipends should be solely given on meeting appropriate criteria. In lieu of the stipend for retired members, the city should consider a referendum for pension benefits after the appropriate years of service.

Cost Savings: Approximately \$3,500 per year

(NOTE: Some of the retired firefighters respond to enough calls for service to qualify for one of the three levels of stipend).

Volunteers

As previously stated, the department is comprised of both paid firefighters and volunteers. The department is authorized by ordinance to have a minimum of 60 regular volunteers and 15 reserve volunteers, who are basically firefighters-in-training. At the time of review, the volunteer rolls were in the low 60's, with seven probationary volunteers. It was estimated to the review team by members of the department, as well as being stated in a review of the fire department done a year and a half ago, that the department can rely on about 2/3 of the volunteers to make a significant amount of calls. To substantiate this, there were 10 members who responded to 20% or less of the calls for service and there are seven "retired" volunteers who provide some level of response.

There is some concern within the department about the lower levels of volunteers. There was special concern in light of the rising calls for service and the demands on the volunteers and their families. As a result, the city needs to assist the department with its recruitment effort. In response to this, the city is proposing a length of service award program (LOSAP), which is basically a pension program for the volunteers. The city estimates that its contribution to this program will be approximately \$24,000 and it feels that cost to the city is well worth it considering the benefits derived from the volunteer labor. This incentive would be in addition to the clothing allowance or stipend for responding to a percentage of calls for service.

Another way the city could be of more assistance in volunteer recruitment is to solicit and allow city employees to become volunteer firefighters and allow those personnel to respond to calls for service during the normal workday when the volunteer response is the lowest. This response could be limited to structure fires and/or second alarms.

Recommendation:

The city should solicit city employees to become volunteer firefighters and allow them to respond to calls for service during the workday, so as to assist the fire department during those times when the volunteer response is low.

As stated earlier in the section, there are volunteer officers who are in charge of the department and the fire scene. There is a volunteer chief, two deputy chiefs, three battalion chiefs, four captains, and four lieutenants. The chief is given a stipend of \$2,500 per year and the deputy

chiefs are given \$1,200 per year. Additionally, the chief and deputy chiefs have the usage of fire department vehicles.

The chief is elected by the volunteer membership and he, in turn, appoints the other officers. While the review team does not have a problem with this setup, we do feel that there should be additional qualifications for each officer level. At the present time, there are no additional requirements (length of service, training, etc.) to become an officer in the organization. It should be noted, however, that many of the officers have voluntarily received additional training and/or classes beyond the minimum requirement of Firefighter I.

Recommendation:

The department should create an educational standard that would be required for any volunteer to fill an officer's position. The standard should require additional training/education for each higher level. Nothing is being implied about the qualifications of the current officers. However, in doing this the department would be assured of having qualified officers in command of the department.

It was reported that there were different rules, regulations, and standards for the volunteers and the paid firefighters. The paid firefighters, along with the chief and deputy chiefs, are held to a rules and regulations handbook and the volunteers are held to provisions in the department's constitution and by-laws.

According to the internal review of the fire department, "The disparity of rules and regulations are helping to fuel the morale problems within the fire department. It was openly expressed to the consultant that rules are rarely enforced upon the volunteer, and that some of the younger volunteers have the attitude that the rules can not be enforced just because they are volunteers. On the other hand, career employees have been actively disciplined for infractions of rules and regulations...It appears that the 'Fire Fighter's Manual' has been applied successfully to the positions of volunteer chief and deputy fire chief and it seems logical that it should be able to be applied to all of the volunteer fire fighters."

As soon as a volunteer goes on a piece of fire department apparatus, they are as much a representative of the city as the paid personnel and have similar liabilities to the city. As such, they should be bound by the same rules and regulations as the paid firefighters.

Recommendation:

Both the volunteers and the paid firefighters should be bound by the same rules and regulations.

Paid/Career Firefighters

There are currently six paid firefighters employed by the city. These employees work a 24-hour shift, one day on, followed by two days off. This schedule works out to an average workweek of approximately 53 hours, after the usage of sporadic days off (known as "Kelly Days"). As a

result, there are two paid firefighters scheduled to work each day of the year. There are many days, however, when there will only be one firefighter in the firehouse due to employees' taking time off.

The firefighter's main duty is putting out fires, but five of the six do fire safety inspections and they all have been assigned various other duties by the chief. These duties include purchasing/budgeting, maintenance of the building, maintenance/scheduling of repairs on the fire apparatus, maintenance of the turn-out gear and self-contained breathing apparatus (SCBA), preparing the department's reporting requirements, and one person is licensed as the city's fire official. The paid personnel are responsible for driving the first piece of apparatus out of the station when there are four people ready to respond from the firehouse.

Response Time

One of the most important aspects of fighting fires is responding to the scene in a timely fashion. This is especially true for a city like Millville, since the city only operates out of one firehouse and the area being covered is so large. This results in some lengthy travel times. A small survey was done in 1992 by the International Association of Fire Chiefs (IAFC) on response times for different types of departments. It found the mean response (turnout from the fire station) for staffed departments was 57.55 seconds and the mean response for volunteer departments was 184.38 seconds. The range for staffed departments was from 23 to 90 seconds and the range for volunteer departments was from 120 to 360 seconds.

In talking to personnel from the fire department, the review team was not able to get an average (mean) response time from the department's computer system. The department was able, however, to give the review team the amount of responses that fell within different time periods. The following chart gives this information for a 12-month period from June, 1998 to June, 1999 (September, 1998 was not available):

0 – 1:59	2:00 – 3:59	4:00 – 5:59	6:00 – 7:59	8:00 – 9:59	10:00 +
162	255	239	49	17	10
22.13%	34.84%	32.65%	6.69%	2.32%	1.37%

Fire response time includes the amount of time it takes a dispatcher to receive and notify the fire department and the amount of time it takes to travel to the scene. In the IAFC survey, the average time for a dispatcher to process a call was 47 seconds and the following chart shows Millville's travel time for the same period as the response times. For a general point of reference, many staffed departments try to follow the Five Minute Response Model, in which a call for service is processed, the fire department turns-out from the fire station, and travels to the fire scene all within five minutes.

0 – 4:59	5:00 – 9:59	10:00 – 14:59	15:00 +
562	145	13	12
76.78%	19.81%	1.78%	1.52%

As you can see from the above charts, the Millville department meets the five minute rule on over 75% of its calls for service.

The review team is concerned at the amount of calls in which the turn-out time from the fire station is over four minutes long, which is about a minute more than the average found in the IAFC survey.

The main reason for the long turn-out time is a protocol of the Millville Fire Department in which volunteers are expected to come to the fire department to get their gear and board the apparatus. According to the National Fire Protection Association's (NFPA) Handbook, a benefit of the combination/hybrid fire department is that the on-duty fire fighters take the apparatus to the fire and the volunteers go directly to the fire with their gear, saving approximately three minutes in arrival time on the average.

The problem in Millville, however, is that they do not have enough paid firefighters on each shift to take all of the equipment to many of the calls for service. As stated earlier, there are often times when only one paid firefighter is on-duty due to employee absences. Also, if there is a large working fire, more than two pieces of equipment are needed to control the situation. The fire station is set up in such a fashion that the type of call dictates which apparatus is needed and there is easy egress of all apparatus.

Recommendation:

The department should create a protocol that allows the volunteer firefighters to respond directly to the fire scene with their gear. This protocol should address how the other pieces of apparatus that are needed will get to the scene. One possible scenario would be to have volunteers who are within X miles of the fire station respond to the station first to ensure that all of the needed apparatus gets to the fire scene.

The paid personnel stated that there are usually less volunteers responding and longer response times during normal workday hours. This is not uncommon for departments that rely on volunteers to combat fires. The department is under a mutual aid agreement with the rest of the county and has an immediate response agreement from a fire department near the Laurel Lakes section of Millville. This being said, it is unrealistic to expect a quick response from mutual aid due to the small size of the departments surrounding Millville and the likelihood that each of those departments are assuredly experiencing the same problem with volunteer response during the normal work day.

In analyzing the incidents by time of day, 55.45% of the calls for service occurred in the 10 hours between 8 a.m. and 6 p.m. 44.55% of the calls for service occurred between 6 p.m. and 8 a.m., when the majority of the volunteers are able to respond. The recommendation of soliciting municipal employees to become volunteers would definitely help to alleviate the problem of fewer volunteers and slow response, but we are not sure to what extent.

The only real way to remedy this problem would be to hire two additional paid firefighters during the normal workday hours from Monday to Friday. This would allow the department to get an apparatus immediately to the fire scene and begin its initial assessment and attack of the situation. These officers would be required to work shifts of approximately 10 hours each, resulting in the same number of hours worked by the current paid personnel.

In hiring two additional officers and being able to respond immediately to calls for service, the paid personnel could respond to suspected fire alarm calls (malfunctions or false alarms) and remedy the situation without calling for volunteer assistance unless it is necessary. This would greatly reduce the amount of calls for service the volunteers respond to, which was of concern to the volunteer officers.

Additionally, the two new officers could do non-life hazard use inspections, with the fees of such inspections going to offset a portion of their salary and benefits. Currently, the department only conducts life hazard inspections within the city. Five of the firefighters are licensed to do the 214 inspections. It was estimated by the fire official that the number of non-life hazard inspections would be approximately three times the number of life hazard inspections. The non-life hazard inspections would not take as long to complete as the other inspections. If the department began to do non-life hazard inspections on approximately 650 locations and assessed an annual fee of \$50, the city would realize approximately \$32,500 to offset the approximate cost of \$91,000 in salary and benefits for two new firefighters.

Recommendations:

The city should hire two additional firefighters to work Monday through Friday during the normal workday hours. This would allow for a quicker response to the fire scene during normally slower times, would allow for less calls to be responded to by the volunteers, and would allow the city to begin conducting non-life hazard inspections around the city.

Value Added Expense: Approximately \$91,100 per year

The city should begin conducting non-life hazard inspections around the city with the two new firefighters.

Revenue Enhancement: Approximately \$32,500 per year

False Alarms

The department has a substantial problem with false alarms. In 1998, approximately 30% of the alarms were false. Of these false alarms, 16 were malicious and the other 195 were either system malfunctions, unintentional false alarms, or other.

There is currently no ordinance that penalizes for recurring false alarms from the same location. False alarms create a non-emergent sense in the volunteers that could be devastating in the event of a real fire. The city needs to ensure that alarms are working properly by fining establishments for repeat false alarms. It is not expected that this will result in a major revenue source for the city, but it will reduce the amount of calls for service that the volunteers need to respond to.

Additionally, it is expected that the revenue received in the first year of the program will diminish in following years as establishments maintain their alarm systems in good working order.

In a recent LGBR review, the municipality kept track of the number of false alarms per alarm system that occurred once its false alarm penalty schedule was in place. What that municipality found was that in the first year of the ordinance, false alarms were reduced by approximately 30%, followed by another 25% by year five, and followed by small decreases and increases. If Millville were to put a false alarm ordinance in place, similar results would be expected, resulting in false alarms decreasing by approximately 50% in five years, or a reduction of approximately 100 calls for service each year.

Recommendation:

The city should establish a false alarm penalty schedule in its ordinances to punish establishments for repeated false alarms and to create an incentive to maintain alarm systems in good working order.

Apparatus

The Millville Fire Department has: five engines/pumpers, two ladder trucks, one rescue vehicle, one tactical rescue trailer, one fire education trailer, one chief's vehicle, two deputy chief's vehicles, and four other vehicles for departmental purposes. The vehicles are in relatively good condition and are maintained by the city mechanics, with annual testing and specialty repairs being sent out to vendors.

According to the review done by ISO in 1989, Millville exceeds the amount of engine/pumpers and ladders that it needs. According to ISO standards, a department like Millville's should have three engine/pumper companies and one ladder company. The review team does feel, however, that there should be at least one reserve apparatus for each category.

Recommendation:

The department should not replace the next engine/pumper company that is scheduled to go out of service.

Fire Prevention/Education

The fire department is very active in its fire prevention/education programs. The fire official is the coordinator of all the department's events. Along with various other programs and activities, the department annually goes into each of the kindergarten through sixth grade classes and teaches about fire prevention, conducts smoke detector inspections during fire prevention week, and now has purchased a fire prevention trailer to provide hands-on instructions on how to react during a fire situation. Much of the supplies and equipment is funded through inspection fees brought in by the fire department.

Recommendation:

The department should continue to focus its attention on fire prevention activities within the city and the city's schools.

Fire Stations

In the internal review of the department there were various opinions voiced by department personnel as to whether one fire station is adequate for the needs of the city and if not, where an additional fire station(s) should be placed. As was illustrated in the response time section, there are many instances when the department is not able to respond in a timely fashion.

The review team feels that one station may not be adequate for the needs of the city, but is not sure just constructing a new station will make much of a difference in the quality of fire protection. Many questions will have to be addressed if a new station is constructed: Will the station be staffed or just volunteer? How will the volunteers be divided among the stations? Will the firefighters of that station be a new fire department or will there remain only one department? How many pieces of apparatus should be placed at the station?

There has been much talk of the DRBA funding a portion or all of the costs of a new fire station on the west side of the city at the airport. If the city can obtain significant funding to build a station in that area of the city in return for fire protection services, the review team feels that the opportunity should be seized. If not, the review team feels that implementing the other recommendations in this report will do more to increase the effectiveness, efficiency, and timeliness of the services provided by the fire department than building an additional fire station.

GARBAGE & RECYCLING COLLECTION

The city is currently in the second year of a five-year contract for the collection of commingled recyclables and newsprint, and transportation to the Cumberland County Improvement Authority (CCIA). Under this arrangement, the city retains ownership of the materials until delivery to the CCIA and pays all disposal costs and/or receives all refunds. The contract calls for once per week collections for all residences, three condominium complexes and apartment houses with fewer than ten individual apartments. The contract year is from April 1st to March 31st and the amount due the contractor increases approximately 2.5% per year from \$163,911 in year one to \$181,520 in year five. From 1993 to 1997, the city averaged 815 tons of recycled newspaper and 913 tons of commingled recyclables each year.

The city just entered into a 45-month contract, beginning July, 1999, for the collection and transportation of trash and garbage. The reason for the 45-month contract is that the city wanted the ending period for this contract to coincide with the ending of the recycling contract, so that the city could bid them at the same time if it so decided. The contract calls for once per week collections for all residences and apartment houses with fewer than ten individual apartments. The annual contract cost is \$375,595 for year one (11 months), \$409,740 for years two and three, and \$341,450 for year four (10 months). For 1998, there was a total of 9,358 tons of trash

collected. Using the factors of annual cost and total tons of trash, it costs the city approximately \$43.79 per ton to collect and dispose of the city's trash, which falls within the benchmarks found in other LGBR reports.

Recommendation:

The review team recommends that the city explore the possibility of renegotiating its current recycling contract to change from once per week collections to once every other week. LGBR has found many municipalities that collect biweekly and it works quite efficiently after the initial start-up period. In other LGBR reports, we have found that a municipality should conservatively save approximately 20% by reducing the number of trash collections and we expect the same level of savings for reducing the number of recycling collections. As a result, the city could save approximately \$33,636 per year by going from once per week recycling collections to once every other week.

Cost Savings: \$33,636 per year

Vehicle Maintenance

The vehicle maintenance function is staffed by a supervisor, one senior mechanic, two mechanics, one clerical support and one high school student who spends about four hours per week at the garage through a Co-op program. The high school student performs minor preventative maintenance work, cleans around the garage, and is instructed by the city mechanics. The personnel costs for the vehicle maintenance function, using calendar year 1998 figures, is approximately \$244,227, plus an additional \$22,194 for overtime and approximately \$10,312 (5% of base salary) in workers' compensation insurance costs.

These workers maintain and repair the city's vehicle fleet of approximately 162 vehicles and large equipment (according to a vehicle list dated 1/13/99). Additionally, they maintain and repair all of the minor pieces of equipment (mowers, weed whackers, edgers, blowers, chippers, etc.). According to another city document, there are approximately 96 pieces of minor equipment. The supervisor spends a minor amount of time doing vehicle repairs and maintenance.

The supervisor and the clerical support are also in charge of maintaining and keeping inventory of the city's impound lot. Vehicle maintenance was recently moved under the authority of the commissioner of public affairs from the commissioner of public works. This was done because the vehicle maintenance function was in disarray and the commissioner of public affairs had more time to address the problems. The problems in vehicle maintenance included slow repair times, recurring repairs, and no preventative maintenance program. The problems were so great that the city requested proposals in August, 1998 from private contractors to see how much it would cost to have a private company provide the services and how services would be enhanced. After the city received those proposals, it decided to give the municipal employees a one-year period to get the vehicle maintenance program in good working order. To assist, the city allocated additional personnel (the supervisor and clerical support) and purchased a computerized fleet maintenance program to track vehicle repairs. According to many municipal employees

who were interviewed by the review team, the vehicle maintenance function has become much improved since the threat of privatization.

The garage is located in back of the building in which the Millville Rescue Squad is located. There are six areas/bays in which the mechanics can work and there are three lifts. There is a small, unsecured area where a small supply of routine parts and supplies are kept. There is no inventory system in place on the parts and supplies. During FY1998, the city spent approximately \$142,150 on automobile and equipment parts and supplies.

In total, the city spent approximately \$418,883 or \$2,586 per vehicle on vehicle maintenance. This cost is in the range of LGBR benchmarks for this service, but while it is improving, the garage is not performing at levels comparable to private companies. When the city requested proposals for this service one company bid \$388,687 (\$30,016 less) or \$2,400 per vehicle. Additionally, this company guarantees its work, has penalty clauses for poor performance, ensures that a comprehensive preventative maintenance program is in place and adhered to, guarantees a fleet availability rate of over 95%, and guarantees that costs won't exceed contract prices.

The new fleet maintenance software package is able to track vehicle repairs and costs, track time spent by the mechanics on maintenance and repairs, schedule vehicles and equipment for preventative maintenance, and includes an inventory control system. The garage is currently in the process of instituting a preventative maintenance schedule for all city vehicles and equipment, but it is not tracking the time that mechanics spend on maintenance and repairs. As a result, it was impossible to determine whether the mechanics were working in an efficient manner.

Additionally, it was noted on the vehicle repair log that not all parts costs were being charged off to the vehicle being repaired or maintained. This information is essential in determining the cost of maintaining a vehicle versus buying a new one. This especially holds true for older vehicles.

Recommendations:

While the consensus around the city was that the vehicle maintenance function was performing much better since the threats of privatization, it was still impossible for the review team to determine the extent since records were not being kept on the mechanics' work time per vehicle. As a result, it is recommended that the garage begin keeping this information so that the city can determine mechanic efficiency.

It is recommended that the garage fully implement a preventative maintenance program for all city vehicles and equipment.

All parts costs should be fully charged to the vehicle being repaired or maintained.

The city should look at the guarantees and penalties in the proposal by the private vendor and apply as many as possible to the current in-house operation to ensure that

performance is equal to that of the private vendor. The city needs to ensure that the performance is similar to the vendor in that current in-house costs are about \$30,016 more than the proposal received by the city. The city should allow the garage six additional months to address the above recommendations. At that time if the operations are not equal to what a private vendor will offer, the city should contract out for vehicle maintenance services.

Cost Savings: Approximately \$30,016 per year

Towing

The city began contracting with a towing vendor in November, 1998 at \$32.50 per tow. The current contractor bid \$40 per tow for next year. The city currently charges \$45 per tow, including administrative charges, plus a \$9 storage fee per day. The city will be raising the fees per tow when the contract price goes to \$40 per tow.

The main reason overtime was \$22,294 in FY1998 was that the vehicle maintenance personnel were doing the towing work for the city. They received overtime for each call after work hours. Since the towing contract went into effect in November, 1998 (4+ months of city towing in the FY1999), the overtime dropped to \$10,881. We expect that overtime will be further reduced for FY2000, when all 12 months will be contracted.

Recommendation:

The city should ensure that all costs of the current towing contract to the city are offset by city charges for towing and storage services.

STREETS AND ROADS

The streets and roads division is under the direct supervision of the superintendent of streets and roads. At time of review, there were a total of 18 full-time employees in this division assisted by various numbers of seasonal and summer helpers. During calendar year 1998, there were 11 such part-time employees at a cost to the city of approximately \$33,439. During calendar year 1998, the cost for the streets and roads full-time employees was \$664,181 in salary costs (including \$27,518 in overtime) and \$209,433 in direct benefit costs, for a total personnel cost of \$873,614. It should be noted that there was recently reorganization in the streets and roads function, water utility, and sewer utility. As a result, the personnel costs stated for the full-time employees do not reflect the change in the number of employees due to the reorganization.

The streets and roads division is responsible for street sweeping, maintaining the compost facility (landfill), picking up receptacles on High Street and other areas, picking up grass and brush, picking up leaves (bagged from January to October and loose from November to December), doing street patching and other road work, cleaning catch basins, maintaining storm sewer lines, maintaining street signs, working in the city's mini-parks, and assisting other city service departments (especially parks and playgrounds). The following chart represents the number of personnel assigned to each main function, although the employees are cross-trained to assist

other areas when employees are absent (during calendar year 1998, the division averaged over 2.1 absences per day for vacation and personal days allotted to employees), and they do other jobs as they come up:

Superintendent	1
Assistant Superintendent	1
Clerical Support	1
Brush, Grass, & Leaves	4
Streets, Catch Basins, & Storm Sewers	4
Street Sweeping	2
Compost Facility	2
Code Enforcement	1
Street Signs	1
Mini Parks	1

The review team noticed the amount of cooperation between the streets and roads division, the sewer utility, the water utility, and the parks & public property, and recreation functions. The city should be commended for its team approach to providing quality services to the residents of Millville.

The review team found that the division was run quite effectively and had very knowledgeable and experienced employees throughout the organization.

Brush, Grass, and Leaves

For the majority of the year, the city assigns four employees to picking up bagged grass and leaves and bundled brush. The bagged grass and leaves are routinely picked up on residents' regular trash day, while residents must call the streets and roads division to schedule brush pick-ups. During the months of November and December, basically all of the streets and roads functions are stopped, so that they can focus on collecting all of the fallen leaves that residents rake to the curbside. All of the collected materials are brought to the compost facility where they are composted and the resulting materials are used by city departments and are made available to city residents. In 1998, the city collected 3,070 cubic yards (c.y.) of bagged leaves, 702 c.y. of bagged grass, 5,000 c.y. of loose leaves, and 3,965 tons of brush.

In doing other LGBR reviews, the review team has found that it is not uncommon for cities in Southern New Jersey to apply this many resources to doing these collections. While this may be the case, the team feels that the city is picking up a lot of materials that homeowners can easily compost on their own properties. Additionally, the review team feels that there is no need to pick up residents' grass clippings. If both of these recommendations are implemented, we feel it is possible to reduce the number of personnel in this function by one employee.

Recommendations:

The city should undergo an educational program for residents showing them the benefits of composting and urging residents to begin composting on their properties and not putting it on the curbside.

The city should stop collecting grass clippings from residents. Recent information has shown it beneficial to leave cut/mulched clippings on the grass.

If both of these recommendations are implemented, the review team feels there will be a significant reduction in workload that justifies the elimination of one position in this function.

Cost Savings: Approximately \$33,079 in salary and benefit costs

Street Sweeping

There are two employees assigned to this function on a daily basis. They are responsible for sweeping the 115 road miles within the city limits. One of these employees comes in to work from 4:00 a.m. - 12:30 p.m. and the other works regular hours from 7:00 a.m. – 3:30 p.m. These personnel sweep the business district three times per week in the early morning, sweep each of the areas in the special improvement section one time per week, and sweep other areas of the city on an as-needed basis (including city parking lots). The sweeping on an as-needed basis results from the sweeper operators or the assistant superintendent seeing areas that need to be swept or from resident requests/complaints.

The review team noticed that the roads within the city were clean for the most part, but we were unable to determine the effectiveness/efficiency of the operation due to the fact that the division does not keep records as to how many miles were swept. The review team has found private contractor prices that will do sweeping for between \$35 - \$45 per street mile. For informational purposes, the city spent approximately \$95,738 in personnel costs, \$5,172 in vehicle maintenance costs for two sweepers, and approximately \$31,820 in vehicle acquisition costs (amortized at 5% for 10 years from estimated purchase price of \$125,000).

Recommendation:

The city should keep track of all miles swept by the street sweepers and compare the costs of contracting for the service to doing it in-house. LGBR has found that this service is often less expensive with equal quality if it is contracted out.

Code Enforcement

There is one person assigned to the code enforcement function at a personnel cost of approximately \$44,513 per year. This person is responsible for enforcing trash regulations (packaged properly, put on the curb on the proper day, etc.), recycling ordinances, and assisting with the “traditional” code enforcement function(e.g., non-maintained properties).

Recommendation:

The city should eliminate the position of code enforcement officer in the streets and roads division. The city should empower its trash and recycling contractors to cite residents who are abusing/neglecting the city’s regulations and ordinances when it comes to trash and recycling pick-ups and insist that its code enforcement office keep up with all code and ordinance violations within the city.

Cost Savings: Approximately \$44,513 in salary and benefit costs

Compost Facility

The city operates a compost facility to handle all the brush, leaves, and grass collected by the city and dropped off by residents. There are two employees who work at the facility. There is an equipment operator who works Monday to Friday and another employee who works Tuesday to Saturday. The second employee is responsible for checking that people dropping off materials are residents of the city, ensuring that nothing improper is dropped off, and picking up trash and litter around the area. The personnel cost for this function is approximately \$91,559 per year.

Recommendation:

The review team feels that the city needs to open the compost facility up for resident drop-off only 20-hours per week. We feel that the position working from Tuesday to Saturday should be changed to a part-time employee working 20-hours per week. This employee could work four-hours per day on three weekdays and eight-hours on Saturday.

Cost savings: Approximately \$43,821 in salary and benefit costs
Value Added Expense: \$15,600 in salary costs (\$15 per hour for 1,040 hours)

Road Project

Each year, the division personnel do a survey of the city and assess the condition of the city’s roads and alleys. Once this is done, they prioritize what needs to be repaired and/or maintained. They feel that this is an effective way to better maintain the infrastructure and spend less money on road repairs in the long-term.

The review team commends the division for their road project.

Time Management

Each employee must punch a time clock on arriving at work, leaving and returning from lunch, and leaving at the end of the day. While this is a good system to track employee habits and productivity, the problem lies in the fact that there is only one time clock for the employees to use. This results in employees wasting work time around the lunch hour, as they are required to come back to the building and punch the time clock.

Recommendation:

The city and the superintendent of streets and roads should investigate the possibility of putting time clocks in different parts of the city, so as not to waste time. Possible places where clocks could be placed include schools, sewer pump stations and parks. The expense for the time clocks has been allocated in the personnel section of this review.

The employees are required to maintain daily work logs, which are then synthesized into division weekly and monthly logs. Much of this information is maintained manually and the majority of the information is not detailed, so as to be able to determine costs on specific projects or service areas. These logs are regularly reviewed by the supervisory personnel to ensure that work being assigned is being completed properly and in an adequate time frame.

Recommendation:

The city should purchase employee tracking software that would allow the employees to specifically account for time spent on the project/service area, equipment used, and cost of parts. This information could then assist the supervisors in comparing the work being done by the city employees to the private sector.

One-time Value Added Expense: Approximately \$1,500

Facilities

The streets and roads division currently operates out of a small, but adequate office building and a garage facility. The office space is of newer construction and is in good condition. The garage facility, however, is in poor shape and is not big enough to store all of the division's equipment. The streets and roads division is in dire need of a new storage garage, but according to the city engineer it is unable to construct any additional structures on the current site (wetlands).

Recommendation:

The city needs to tear down the current storage garage and replace it with new construction. As the review team was ending the review process, the city was approached by an industrial arts teacher for the Millville Board of Education to see if the city would be interested in having high school students build a facility for the city during the school year. The review team recommends that the city investigate this option with the board of education. This arrangement would significantly reduce the cost to build the facility.

Value Added Expense: UNDETERMINED

The city should approach the Millville Housing Authority to see if it would be possible for the city to construct additional storage space on its expansive parking area. The review team felt that this area was underutilized by the housing authority and would be a great location for the streets and roads division due to its close proximity to the current storage garage.

Fuel Pumps

The city operates a fuel pump from behind the streets and roads buildings. The current security system is inadequate. Each department has a key to fuel all of its vehicles. Under this system there is no way to track fuel usage by each vehicle and to ensure that non-city vehicles are not pumping from the city's fuel pumps. The city needs to purchase a fuel system that uses a swipe card for each city vehicle. The person filling up the vehicle would be required to input the mileage each time. This information could be used to ensure that there is no theft of municipal fuel. The city has advised us they are currently looking into purchasing a computerized fuel system at an estimated cost of \$30,000. Based upon information from the State Department of Treasury, Central Motor Pool, the cost of a computerized fuel system could reach \$50,000.

Recommendation:

The city should replace the current fuel system with an up-to-date system that allows for more inventory control procedures.

One-time Value Added Expense: \$30,000 - \$50,000

PARKS & PLAYGROUNDS PUBLIC BUILDINGS & GROUNDS RECREATION

These three functions are under the direct supervision of a superintendent. This superintendent reports to the mayor, as he is currently the commissioner for all the functions that fall under the Department of Parks & Public Property. Including the superintendent and one clerical assistant, there are seven employees who work in these functions. These full-time employees are assisted by four seasonal employees (6-month terms – staggered), between 25-30 summer employees, and one high school student in a Co-op program. In calendar year 1998, the full-time employees in these functions cost approximately \$331,499 in salaries, \$94,944 in benefits and \$1,749 in overtime. (It should be noted that the above costs represent nine full-time employees...two employees have since left the employ of the city and have not been replaced). The other part-time employees cost the city approximately \$87,978 in salaries.

Recommendation:

The review team does not feel that the supervision of this function warrants the title of superintendent, as there are no licensing requirements necessary to perform the job (e.g., certified public works manager and water & sewer requirements). In addition, there will

be fewer personnel to supervise if the city implements the team's recommendation later in this section to move the park maintenance personnel from this department to the streets and roads division in the department of public works. The team feels that the title of superintendent should be reduced to general supervisor.

Cost Savings: Approximately \$5,000 - \$10,000 in salary costs per year

Public Buildings and Grounds

This function is responsible for the maintenance of all city-owned buildings and the custodial cleaning of City Hall and the police/court building.

The city currently has a contract for the custodial cleaning of City Hall and the police/court building. There are approximately 50,181 square feet being cleaned on a regular basis. The contract is with the Training School in Vineland who utilize handicapped adults to provide the services. Hence, the city was able to procure the service without having to go through the bid process as per N.J.S.A. 40A:11-5(n). The total cost for this service is \$41,483 per year or about \$0.83 per square foot. This cost is within the benchmark range used by LGBR, but is on the high end. The review team noticed that the buildings were generally clean in appearance.

The city also contracts with the Training School to provide litter pick-up and maintenance of plants along High Street. There is no city tax burden for this service, as the city was able to obtain clean communities funding for this service.

Maintenance on eight city-owned buildings is done by one of the full-time personnel, assisted as needed on special projects. This person changes light bulbs, ensures supplies are adequate, and makes minor repairs to the structure. There is not enough personnel to do any sort of preventative maintenance program on the facilities.

Recommendation:

The city needs to allocate more resources to the building maintenance function. The city also needs to initiate a preventative maintenance program to minimize future capital expenditures. It is recommended that the city hire an additional employee at 20 hours per week to assist in this function.

**Value Added Expense: \$15,600 in salary costs
(\$15 per hour for 1,040 hours)**

Recreation

The superintendent and the clerical assistant basically run this function. They organize various special events throughout the year, administer the city's summer program, and oversee the operation of the Union Lake Beach, which just reopened two summers ago. The special events include the Miss Millville Pageant, a Battle of the Bands, an Easter Egg Hunt, and holiday parties. The city's summer program includes a floor hockey and basketball league for youth, tennis instruction, seven concerts in Corson Park, July 4th activities, tennis and softball tournaments, and a five-week summer program for youth ages 6 to 12.

The summer youth program is a free three-hour per day program that comprises a variety of activities. In years past, the program averaged 50-75 kids per day, but this year the numbers were in the twenties. The superintendent was not sure why the decrease occurred, but did tell the review team that if this trend continued to occur, the city would have to re-think spending approximately \$6,025 per summer to provide the program.

Recommendation:

The city should initiate fees to cover at least 50% of the costs of the summer program as well as any other future programs.

Revenue Enhancement: Approximately \$3,000 per year

As stated above, the city is now operating Union Lake Beach again. To go to the beach, residents must pay either \$5 per week or \$10 per season. Since the beach was only open for one month (June) in FY1998, the review team did not want to use that time frame to show the amount of revenue from beach fees. In FY1999, which included July through September, 1998 and June, 1999, the city received \$5,265 in revenue from beach fees. In comparison, it cost the city approximately \$19,701 to operation Union Lake Beach for FY1999.

Recommendation:

The city should initiate fees to cover at least 50% of the costs of the Union Lake Beach operation as well as any other future programs.

Revenue Enhancement: \$4,585

Separate leagues and associations provide the majority of recreation programs for the youth of Millville. The only duty of the recreation program is to ensure that fields are available and in good condition and to certify the volunteer coaches. There is such a good relationship between all the entities that the city has received numerous capital improvements on its facilities from the leagues and associations.

The city should be commended for creating such an amicable relationship with the separate leagues and associations. Additionally, the city should be commended for allowing these leagues to provide the programs to the residents of Millville so that the city does not have to increase its budget.

Parks and Playgrounds

The city owns 20 recreational areas of various sizes, and four unimproved parks. The county-owned Mid-County Park, of which 65 acres are used annually as the County Fair Grounds with the remainder a conservation area, lies at the northwest boundary of the city. The city is establishing a waterfront recreational system to provide opportunities for public access to the riverfront. The Maurice River is located one block from the city's business district and plays an important role in the city's revitalization strategy.

Four full-time employees are responsible for cutting all of the grass in the parks and ball fields, maintaining the ball fields, checking and repairing playground equipment, picking up trash receptacles in the parks, removing graffiti, trimming trees and bushes, and doing general clean-ups in the park. There are two large parks and numerous neighborhood and mini-parks that must be maintained as well as 11 baseball/softball fields and 10 soccer fields (including three board of education fields). These personnel are busy year-round, but in the winter months they assist with the repair and maintenance of the city-owned buildings.

It was stated to the review team by different city employees that this function is often assisted by other city employees, especially the streets and roads division. The review team commends the city for having such cooperation within its departments and divisions, although it is an informal arrangement.

Recommendation:

The city should move park maintenance personnel under the supervision of the streets and road division. This would allow for greater utilization of employees, especially when it comes to covering for absences, would assist to enhance the “team” effort in these service area functions, and would formalize the current assisting arrangement. In order to ensure the efficiency of this organization, the general supervisor in the department of parks and public property must meet with the supervisors in the streets and roads division on a weekly basis to discuss upcoming events and to ensure that services are being provided with similar, if not better, quality.

Under Millville’s form of government, this change could occur with the passage of an ordinance. We realize this recommendation will significantly reduce the number of personnel overseen by the mayor, since he is presently the commissioner of the department. According to the city code, in addition to his commissioner duties, the mayor is also the supervisor of all city operations. If the commissioners feel that under this reorganization the mayor needs more day-to-day supervisory duties, it could reorganize further and assign other functions not related to park maintenance to the department.

PUBLIC LIBRARY

Libraries in New Jersey are typically one of three types: municipal, county or “private” association. The Millville Public Library is an association library. However, it derives the bulk of its funding (\$522,149 for FY1997) from the city. This is a fairly unusual situation as association libraries typically derive their funding from private sources, established trust funds, etc. The library board of trustees functions autonomously from the city and has control over the library’s mission, budget and functions. The city does exercise some control over the library since it contributes the bulk of its funding and owns the property.

The current library was constructed in 1963 with an addition added in 1975, comprising 14,000 square feet. The original structure houses the reference, circulation, adult and periodical collections. The newer section houses the children's room and administrative offices. It is located downtown, a few blocks from the municipal building, police station, and post office. It also happens to be located in the midst of the city's riverfront redevelopment area, and, according to city planning staff, is considered an important public service component of those redevelopment efforts.

Staffing

The library has a staff of 20 employees, four full-time employees including two librarians and two clerical support staff, and 16 part-time staffers. One of the part-time positions is paid by Cumberland County's Office on Aging. According to the figures provided by the library for 1998, expenditures for salary and wages totaled \$216,660, benefits totaled \$32,270, with other expenses of \$272,573, for total expenditures in 1998 of \$521,503.

The library comparison prepared by the team indicates that Millville has the least number of full-time staff members, as compared to other libraries, and relies heavily on part-time staffers, both certified and non-certified. (Comparative data is based on the analyses of New Jersey Public Library Statistics.) The part-time employees do not receive paid health benefits although they do receive pro-rated vacation and sick time. Sick time accumulation for full-time employees is limited to two years, and unused vacation time may not be paid out. The library also limits personal time allocated (two days) to full-time staff only. Professionally certified employees are given 22 vacation days annually, the largest allocation of vacation days seen by the team to date, with certified part-time employees' vacation time pro-rated based on the full-time allotment. Non-certified employees have a more traditional vacation schedule of 12 days (up to five years), 15 days (up to 10 years) and 20 days (after 10 years). Library employees were granted a 4% pay increase in 1998.

Recommendation:

It is recommended that vacation time be standardized across library employees following the allotments of the non-certified employees (12 days up to five years, 15 days up to 10 years, and 20 days after 10 years).

Millville had the highest percentage of professional librarians on staff of those communities included in the comparison. In addition, it also had the lowest expenditures for salary, wages and benefits as a percentage of total expenditures.

We commend the library's board of trustees and director for their use of part-time professional and clerical personnel, keeping costs down and enabling the library to have a higher than average percentage of certified professionals on staff.

The library has had problems with thefts from the building when security officers are not present. The city had been providing the library with security personnel, however, it appears the adequacy of coverage was an issue. As of the writing of this report, security coverage at the library by the

city had been discontinued. A review of the board of trustees meeting minutes revealed continued discussion on the need for a security person. The library had appropriated a small amount of money for a security person in their current budget. The team noted that no mention had ever been made, in the board minutes reviewed for the last two years, on the possibility of installing security and video equipment as an option.

Recommendation:

It is recommended that the library install security cameras to reduce the need for daily staffing of security personnel and to assist in deterring thefts, loitering, and vandalism.

One-time Value Added Expense: \$1,000 (taken from Bridgeton report)
Cost Savings: \$1,800 listed in budget

Financial

Public libraries receive mandatory funding from their governing body according to state statute. The state requires that municipalities provide a sum equal to one-third of a mill on every dollar of assessable property for the operation of such libraries. Since the Millville Library is a private association library, the city is not *required* by state law to provide funds for its operation, however, the city does provide the library with substantial funding. Using the state formula, the amount of funding that would be required from the city, if the library were public, would be approximately \$287,612. In 1997, the city provided approximately \$522,149 in funding to the library. Of this amount approximately \$143,000 was “turned back” to the city as rent for the use of city property. Eliminating the “rent” money from the figures, \$379,149 is being provided by the city to the library for operational and materials funding. This is approximately \$91,537, or 24%, above what the public library funding would be.

Recommendations:

The amount the city currently provides to the association library significantly exceeds the amount provided by state statute. We recommend that the city reduce its funding to the library by \$91,537.

Cost Savings: \$91,537

We further recommend that the library board of directors aggressively pursue funding outside the public domain, such as user fees, grants, donations, outreach and an active Friends of the Library group.

The library, as of this writing, does not have a “Friends of the Library” group. These groups typically assist libraries in raising additional funds. The board of trustees has expressed interest in forming such a “Friends” group. However, the board has concerns about establishing such a group until appropriate ‘guidelines’ can be found/created. The team believes it is up to the board of trustees themselves to determine the needs of the library, and to structure the guidelines for a “Friends” group to address those needs.

Recommendation:

It is recommended that the board of trustees create appropriate guidelines and establish a Friends of the Library group as soon as possible to assist with fundraising for the library.

The team learned that the library has investments, received as endowments over the years, valued at approximately \$600,000. In the past, the library paid for the construction of its building and the addition, with the city providing the land for the facility. The library surplus is not used for operating expenses or for facility improvement. The team was informed that this money is being “saved” should the library ever decide to expand. The likelihood of library expansion is quite possible and is under cursory discussion. Adjacent properties are evidently under consideration as possible sites for the library’s expansion. See further facility discussion in next section.

Recommendation:

It is recommended that the library utilize a portion of the income generated from their investment portfolio to help reduce the amount of funding received from the city.

Facility

The library building, which is owned by the city, contains approximately 14,000 square feet of space. The team learned that the city provided the property for the building and the board of trustees paid for the construction of the building and the addition. The library maintains and performs routine repairs on the interior of the building, while the city maintains and repairs the exterior of the building. As was previously mentioned, the facility dates back to the 1960’s and 70’s. The board of trustees’ buildings and grounds committee appears to be aware of the facility’s need for repairs and desired enhancements. A visual inspection of the library by the team confirmed some of the problems that were mentioned during staff interviews. Problems included lack of usable space, deteriorating insulation material in the basement, lack of modern handicapped accessibility to the basement space, noise problems, etc.

The team noted that the percentage of space in the library allocated to reference, circulation, adults, periodicals and computers is crammed into one main room. Staff interviewed mentioned the lack of space as a serious problem facing the library. The space allocated to the children’s area, administrative offices, and the meeting room appears adequate. The basement area is used for the storage of periodicals, books to be sold, and books in the collection not checked out on a regular basis. There is also an open area occasionally used for meetings, when the upstairs meeting room is otherwise booked, and a small locked room used for storage. Access to the basement is limited, although there is a motorized “chair” available to handicapped patrons. This device was installed in the late 70’s and is inspected annually by the city to ensure its safety of operation. Modifications to the library building, to make the basement access Americans with Disabilities Act (ADA) compliant, would be quite costly. The design of the facility does not allow for a second story to be added according to the staff, and there was some discussion on the purchase/use of adjacent property to supplement the current facility.

Recommendation:

It is recommended that the board of trustees and the city evaluate the library facility and discuss options for expansion. The facility appears inadequate and does not provide enough room for the library to install a computer lab, quiet study rooms, etc.

It is also recommended that the city and library board use a portion of the immediately adjacent parking lot for the library expansion rather than purchasing additional property in the area. The city already owns a significant amount of the property surrounding the facility and purchasing additional privately-owned land would take that property off the tax roles unnecessarily.

Upon expansion of the library, it is also recommended that the city look into using existing space in the basement of the library to store overflow documents from offices in City Hall. See section on engineering department.

Cooperative Library System

The Millville Public Library is part of CLUES, the Cumberland Libraries United Electronic System. Other libraries in the CLUES system include Bridgeton, Vineland, Cumberland County Library and the Cumberland County College Library. CLUES is an online card catalog and provides members access to more than 300,000 items, identifies in which library the items are located, and allows interlibrary loans of those materials. CLUES also provides a bulletin board service which lists activities and events at the CLUES libraries, and also lists community information on local agencies, government agencies, and organizations.

We commend the Millville Public Library for participating in CLUES.

Collection

Millville's collection, at 57,818 items, is relatively small when compared to other similar libraries, whether based on population, expenditures or their co-op system. In discussing this with the library's director, as well as with the library's former director, now head of the County Library, the team learned that the size of the collection is very much a function of the lack of available space in the library. Both directors agreed that Millville's collection, as a result of their space constraints, is one of the most current and up-to-date library collections in the area. The limited size of the collection was not seen as a problem by the team, due to the library's participation in CLUES. Items not found in Millville's collection typically are available from one of the other libraries in the system. In addition, even with the space constraints, the Millville Library continues to meet the state's minimum purchasing requirement for materials, necessary to be eligible for state aid.

The library in the last two years began providing access to online subscriptions to periodicals. This resulted in an increase of approximately \$3,500 to the library's budget. The number of periodicals and newspapers that a library subscribes to usually goes down once a library provides online access. This is not the case in Millville and in-house subscription spending increased from \$5,400 to \$6,400 from 1998 to 1999.

Recommendation:

It is recommended that the library reduce the number of in-house periodical subscriptions, as access to an even greater number of periodicals is now being provided online.

Cost Savings: \$3,000

Patronage and Circulation

The library is open 62 hours per week except for July and August when it is closed on Saturdays. During this period it is open 56 hours per week. The hours are Monday through Thursday from 9:00 a.m. to 9:00 p.m., Friday from 9:00 a.m. to 5:00 p.m., and Saturdays from 10:00 a.m. to 4:00 p.m. Based on the comparisons prepared for review, circulation is an issue for the library. Of the libraries in the comparison, Millville had the lowest overall circulation, the lowest circulation per full-time employee, the lowest per capita circulation and the lowest circulation per hours open, whether based on population served, total expenditures or using libraries in the CLUES cooperative.

Recommendation:

It is recommended that the library and city evaluate actual usage of the library and adjust the hours accordingly, reducing the number of hours the library is open per week, possibly opening one hour later at 10:00 am, for a total of 57 hours per week.

Cost Savings: 5 hours X \$158.32/hour (exp./hr open) X 52 weeks = \$41,163

BUILDING INSPECTION AND UNIFORM CONSTRUCTION CODE

The bureau of inspections handles all matters relating to Uniform Construction Code (UCC), rental housing inspection and property maintenance/code enforcement activities. The staff includes six full-time and one part-time position. Two of the inspectors have dual titles and responsibilities and work part-time on UCC and part-time on housing inspections and property maintenance. The UCC related costs will be discussed separately from the housing inspection and property maintenance related costs in this report.

The construction code official also acts as the director of inspections and the building sub-code official. The plumbing sub-code official works half-time as a housing inspector, as does the electrical sub-code official. The fire sub-code official is part-time at 17.5 hours per week and there is one full-time rental housing inspector. There is one full-time control person for UCC activities and another clerical/support person who works part-time for UCC, with the bulk of her time spent on rental housing and property maintenance issues. Of the 6.5 Full-time Equivalent (FTE) positions in this office, approximately 4.0 FTE's are dedicated to UCC. The NJ Department of Community Affairs staffing analysis for the City of Millville's UCC function indicated that the division is adequately staffed at this time.

Financial

Municipalities are required to submit Uniform Construction Code (UCC) annual reports to the NJ Department of Community Affairs, Division of Code and Standards. These reports provide revenue and expense information for the UCC function. UCC revenues remaining after expenses may be transferred to the current fund, however, DCA guidelines indicate that surplus not exceed 20% or \$100,000, whichever is less, over a three-year period.

The team's initial review of the UCC annual reports showed a significant jump in other expenses reported, from \$14,000 in FY1996 to \$82,600 in FY1997. The team questioned the construction official on this increase. He determined that moneys that had been expended by the city for the demolition of structures had been included in this line, due to the building division's oversight of the demolition work. This is not a reportable expense for UCC, and the construction official, after further investigation, indicated he would be submitting amended UCC reports to DCA. Staffing, expenses and activities charged to UCC must be specifically related to the UCC function. The team has found that municipal employees/officials are often unclear as to what qualifies as a UCC expense and what does not. After further review, the team also determined that the 12% for allowable indirect costs being reported by Millville in the annual reports was incorrectly calculated. The indirect cost percentage is to be calculated based on total expenditures, not total revenues. The construction official indicated that these numbers would also be amended.

Fiscal Year	# of Permits	Revenues	Expenditures	Surplus (Deficit)
1996	?	\$255,868	\$251,965	(\$26,097)
1997	865	\$455,868	\$310,233	\$145,635
1998	1,049	\$381,640	\$304,521	\$77,119
1999	1,031	\$213,646	\$245,460	(\$31,814)

As was previously mentioned, municipalities are provided with DCA guidelines regarding the maximum amount of surplus that can be generated over a three-year period. Based on the amended annual reports provided to the team for FY1997 through FY1999, Millville has generated nearly \$190,000 in surplus from UCC operations in this three-year period. However, an analysis of the permit activity indicated that there were a few specific projects involving new industrial/commercial construction in FY1997 and FY1998, which contributed significantly to the substantial fees collected. While permit activity for residential construction increased in FY1999, and permit activity for industrial/commercial buildings was about the same, it did not include any large-scale projects, which would have resulted in similar significant individual permit fees collected. The team believes there is a need for the city to review its permit activity and fee schedule, as the amount in fees collected has fluctuated dramatically between surpluses and deficits in the last four years, and recommends the UCC office work with DCA staff regarding possible revisions.

Recommendation:

It is recommended that the city contact the NJ Department of Community Affairs to determine if a revision to the UCC fee schedule is warranted at this time.

The city's chief financial officer is required to certify the annual DCA reports prior to their being submitted. As was outlined above, there have been substantial errors in the financial reporting of information to DCA in the last three years. This has resulted in the UCC staff expending avoidable and unnecessary time and energy to correct these errors.

Recommendation:

It is recommended that the city's financial officer review the guidelines for preparing the financial portion of the DCA UCC annual reports and closely monitor the preparation of these reports, prior to certifying them, in order to avoid such reporting errors in the future.

City Audit

The city's audit for FY1998 indicates that the UCC office is not reconciling fees collected and turned over to the central cashing department with revenues recorded by the city treasurer's office. This is also a prior year audit finding that recurred without corrective action taken. The lack of a reconciliation process could result in material differences which may not be detected in a timely manner by city management. The city auditors recommended that procedures be implemented in the UCC office to reconcile fees collected on a monthly basis with revenue posted to the city treasurer's office.

The city audit also indicates that permit fees charged by the UCC are not reviewed by an individual whose duties are independent of the person collecting and issuing licenses. An audit of permits conducted by the city auditor disclosed that in FY1997, in four instances out of 20, fees charged did not agree with those authorized by city ordinance. In FY1998, there was one instance out of 10 where the fee charged did not agree with city ordinance.

Recommendation:

To comply with recommendations made in the city audit, we suggest that the city file and implement a corrective action plan to implement procedures to reconcile fees on a monthly basis with revenue posted to the city treasurer's office. It is further recommended that duties be segregated in the UCC department so that permit fees charged by UCC are reviewed by an individual whose duties are independent of the person collecting and issuing licenses, to help ensure that the fees charged agree with those authorized by city ordinance.

Rental Housing Inspection/Property Maintenance Program

As was previously mentioned, this office is also responsible for the rental housing inspection program and code enforcement/property maintenance in addition to its UCC responsibilities. There is one full-time rental housing inspector, and two of the half-time UCC sub-code officials work half-time as rental housing inspectors. The construction code official/director of inspections indicated there may be a need for additional rental housing inspectors. The team did

not see that there was an immediate need for additional inspectors based on the information provided, however, the team believes there is a way to provide additional inspectors without hiring additional staff.

The housing rehabilitation program is run out of the community development function although their offices are located in the same area as the division of inspections. There are two individuals involved with the inspection of these properties on a part-time basis, the zoning officer and the housing rehabilitation coordinator. The team believes that it would be more efficient for the city if all building and property-related inspectors/inspections were under the direction of the division of inspection. It follows then that these individuals should be transferred to this office. The team also believes that it would be more efficient to have the position of zoning officer operating out of this division, based upon observation and the various tables of organization provided for these offices. For more detailed information on this recommendation, please refer to the section on community development.

Recommendation:

It is recommended that the housing rehabilitation inspectors and zoning officer position be reassigned to the division of inspections and they be encouraged to become licensed building inspectors. See community development section for more detailed information.

Rental Housing Inspection Program/Financial

According to information provided to the team, the number of registered rental units in the city, which fall under the jurisdiction of the rental inspection program, is 3,298. The team was provided with financial information on this program. However, analyzing this information raised more questions than it answered, and it appears a better record-keeping system for these moneys is necessary. The city's annual audit indicated that penalty fees were not assessed for housing registrations paid for during the month of March, 1998 as required by city ordinance. This resulted in a loss of revenues to the city of \$13,680. The city auditors recommended that fees for housing rental registrations be charged in accordance with city ordinance.

The rental housing inspection program is based on a calendar year. All units are required to register on January 1st. The late payment cutoff date is February 28th. After that period, the registration fee is increased from \$55 per unit to \$75 per unit. According to the information provided, the city collected \$168,098 in inspection fees in FY1998, with operating expenses of \$168,389. A discussion with the director of inspections indicated that the program operates on a different year (calendar) than the city (fiscal year) and this throws the numbers off. The difference between the fees collected and the operating expenses were minimal. However, these moneys would be more easily tracked if they were collected on a fiscal year basis, allowing a more accurate determination of the deficit/surplus generated by the program.

Recommendation:

It is recommended that the city revamp its rental housing registration program to coordinate with the fiscal year calendar.

III. COLLECTIVE BARGAINING AGREEMENTS

An area that frequently presents significant opportunities for savings is negotiated contracts. While they represent opportunities for savings, the savings and contract improvements are most likely to occur incrementally, through a well conceived process of redeveloping compensation packages to be equitable and comprehensive. For this reason we present those issues subject to collective bargaining agreements separately in this section.

The team reviewed the six contracts that were in place at the time of our review. For purposes of this report, LGBR will review each unit separately and identify savings per contract.

PBA Local 213

The police contract allows longevity payments to escalate from 3.25% after five years to 7.25% after 25 years. According to contractual language, these payments are not tied into performance but simply based on seniority and years. Longevity payments are slowly beginning to disappear from public contracts via new contractual language denying such payments to new employees. Based on discussions with the city solicitor, he has been given no instructions to pursue such a course of action from the commissioners or to discuss this possibility with labor counsel representing the city in police talks. Raises identified in the contract are reasonably set at 3%; however longevity payments after five years severely affect raises placing them in the 10% area after five years and far outside Consumer Price Index (CPI) figures. Longevity numbers in the police department alone approach \$110,000. Serious negotiations need to end this excessive taxpayer cost as new employees are hired.

Since realistic goals must be addressed in this review, LGBR believes that the city should be able to negotiate a reduction in this benefit with officers and patrolmen over the next five years by at least 10% as new officers are hired and reach the five year plateau. Projected savings could be in the realm of \$11,000. The city should fully utilize its contracted labor counsel in achieving these goals.

Recommendation:

Phase out longevity over the next five years with savings of \$11,000.

Potential Cost Savings: \$11,000

Current contractual language guarantees four hours of overtime if an officer is called in. LGBR believes that this provision generates more than a half-shift payment during an eight hour tour. A reduction to three hours could begin to reduce these guarantees and probably actual manpower needs during emergencies. Conservatively, LGBR estimates at least a 5% savings in total overtime of some \$6,083.

Recommendation:

We recommend reducing overtime guarantee from four to three hours with savings of \$6,083.

Potential Cost Savings: \$6,083

Vacation policy exceeds the state standard by five days after 20 years. The city should strive to keep vacation policy to a maximum of 25 days with subsequent productivity enhancements.

Recommendation:

We recommend reducing maximum vacation days to 25 rather than 30. Real savings in productivity enhancements will not be identified since age and seniority is difficult to assess.

\$250 a year for court cost preparation time is somewhat unique to the Millville contract and is in addition to routine payments made to officers attending court. This benefit should be removed as quickly as negotiations can permit.

Recommendation:

We recommend removing court preparation costs from the contract for savings of \$12,750.

Potential Cost Savings: \$12,750

Bereavement leave is granted for three days annually to police officers. LGBR certainly understands the need for this type of leave, but believes it should be part of the 15 days of sick leave rather than additional time.

Recommendation:

We recommend folding bereavement time into regular sick leave eliminating the three days granted for this specific time off.

Eliminate birthday holidays for 56 officers.

Recommendation:

Eliminate birthday holidays for 56 officers for a savings of \$10,166.

Potential Cost Savings: \$10,166

SUPERIOR OFFICERS ASSOCIATION

As an initial recommendation, LGBR suggests the city define captain as a management level position within the police department. Since the city's second highest position is captain, we recommend the city seek to have this position removed from the bargaining unit.

Recommendation:

We recommend removing the captain's position from the bargaining unit. Eliminate longevity, overtime, comp payments, court preparation time and vacation day granted for an "accident-free year."

Potential Cost Savings: \$4,312

Eliminate the provision calling for a birthday holiday when time off already exceeds the state average by two days. Conservative projected cost savings of \$1,920 for 12 officers.

Recommendation:

Eliminate officer's birthday as a holiday for savings of \$1,920.

Potential Cost Savings: \$1,920

Civil Service Association – Council 18

Longevity payments currently apply after five years going from 3.5% - 7.5% after 25 years of service. These payments are not affiliated with merit increases or performance ratings. Without evaluations, taxpayers simply are expending additional dollars for seniority alone. LGBR believes this aspect of the contract needs to be gradually removed with new employees and or tied to performance ratings of a qualitative nature documenting evidence of exceptional performance.

Recommendation:

Eliminate longevity payments over a five-year period by gradually eliminating this benefit from new employees. (Real savings are difficult to analyze for this group and will be exempted from savings figures.)

A new provision in the contract calls for an "opt-out" feature in medical coverage for this unit. The "opt-out" was originally \$1,000 per family. This provision was recently raised to \$3,000 annually to the individual who sought to forego family coverage. Discussions with the payroll supervisor indicate that possibly only three to five employees qualify for this benefit, but LGBR believes payments of this extent are excessive. If the city continues to provide benefit coverage to the "opt-out" employee through the dependent coverage, the cost of the program could exceed the savings in many instances.

Recommendations:

We recommend ending “opt-out” medical family payments of \$3,000 and reduce it to \$1,000 as previously negotiated.

Potential Cost Savings: \$8,000 (based on four participants at \$1,000)

The city should conduct a cost benefit analysis on the above program to ensure that the city is saving money.

Return vacation time to a maximum of 25 days rather than 30 days for a net gain of 5 working days as a productivity enhancement. Since years and seniority are difficult to analyze, real dollar savings will not be identified.

Recommendation:

We recommend restricting maximum vacation time to 25 days.

Current provisions call for a \$200 annual payment to holders of a Commercial Driver’s License (CDL). LGBR believes renewal costs and re-testing costs should be borne by the employer, but it does not believe annual payments should be made for having licenses required to do a job.

Recommendation:

We recommend ending annual payments of \$200 for CDL to be replaced by paying for renewal and testing costs.

Potential Cost Savings: \$900 (Keeping \$100 to meet some renewal costs for 9 employees.)

Millville Administrative Unit

Remove the following titles from the unit based on the city’s desire to establish management positions throughout its departments:

Clerk/Administrator
CFO
Municipal Engineer
Director of Development
Assistant Comptroller
Tax Assessor
Tax Collector
Court Administrator
Director of Community Development
Superintendent of Streets

Superintendent of Water
Superintendent of Recreation
Superintendent of Sewage
Zoning Officer

As a result of this decision, longevity would be removed for savings of \$37,444. In addition, overtime costs would be curtailed with a potential savings of \$856.

Recommendation:

We recommend removing the aforementioned titles for management purposes and achieve savings of \$38,300.

Potential Cost Savings: \$38,300

FMBA Local 63

End longevity payments currently in effect from 2.5% to 7.25%. These payments are not tied to performance or merit, but rather to seniority alone.

Recommendation:

Either end longevity payments or establish an evaluation system to determine increases. The current practice should be eliminated over a five-year period for savings of \$6,871.

Potential Cost Savings: \$6,871

Reduce guaranteed “call-in” time for overtime to three hours rather than four hours. Savings will not be calculated due to emergent nature of the position.

Recommendation:

Change guaranteed four hours of overtime for a call-in situation to three hours.

Remove \$225 in court preparation time from fireman’s contract entirely.

Recommendation:

Eliminate court provision from fire contract with payroll identified savings of \$50.

Potential Cost Savings: \$50

Time Off

The current labor contract with the FMBA is very generous when it comes to time off, as compared to other municipal employees. See the following chart for the disparities in time off given to the Millville firefighters:

	Sick Leave (Max Days)	Sick Leave (Max Hrs.)	Vac. Leave (Max Days)	Vac. Leave (Max Hrs.)	Pers. Leave (Max Days)	Pers. Leave (Max Hrs.)
Municipal Employees	15	105	30	210	3	21
FMBA	7 Tours	168	13 Tours	312	2 Tours	48
Excess Hrs. to FMBA	N/A	63	N/A	102	N/A	27

A review of the number of additional hours the firefighters are given off each year as compared to other municipal employees, reveals that firefighters have the ability to be off 192 more hours each year. When dealing with different work schedules, LGBR recommends that all employees are given time off in hours, not days. Giving different municipal employees time off based on days will generally lead to the disparity seen in the chart above. Based upon the average firefighter's hourly salary and benefit rate of \$20.91, the city could achieve a productivity enhancement of approximately \$24,088 if time off were given in amounts equal to the non-uniformed municipal employees.

Recommendation:

Time off should be given to the firefighters in an amount equal to other municipal employees.

Potential Productivity Enhancement: \$24,088 in salary and benefit costs

Chief of Police

As a civil service employee and a representative of management, the chief's position should be removed from contractual language. Longevity payment of \$5,233 should be removed. Overtime payments of \$951 should be curtailed and all compensatory time deleted. Vacation time should be reduced from 30 to 25 days with subsequent productivity enhancements. \$250 for court preparation time should cease since all management time is paid for in the salary offered. The accident-free benefit of one vacation day, or \$380, should be eliminated from the agreement. Meal costs were discussed in the police section but should be reduced significantly.

Recommendation:

We recommend ending the contractual relationship with the chief resulting in a savings of \$6,814.

Potential Cost Savings: \$6,814

LOCAL GOVERNMENT BUDGET REVIEW ACKNOWLEDGEMENTS

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